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DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1995

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PT. 2 B

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

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BOB CARR, Michigan
ALAN B. MOLLOHAN, West Virginia
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JIM KOLBE, Arizona
CHARLES H. TAYLOR, North Carolina

JOHN G. OSTHAUS, GEORGE H. SCHAFER, and SALLY A. CHADBOURNE, *Subcommittee Staff*

PART 2B

DEPARTMENT OF JUSTICE

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Organized Crime Drug Enforcement	**603**
General Legal Activities	**659**
Federal Prison System	**1053**

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DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1995

TUESDAY, APRIL 19, 1994.

DEPARTMENT OF JUSTICE

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS

WITNESSES

ANTHONY C. MOSCATO, DIRECTOR, EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS

EMILY M. SWEENEY, UNITED STATES ATTORNEY, NORTHERN DISTRICT OF OHIO

WAYNE A. RICH, JR., PRINCIPAL DEPUTY DIRECTOR, EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS

STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

BUDGET JUSTIFICATION

Mr. MOLLOHAN. The Committee will come to order. We will now hear testimony concerning the United States Attorneys, who request $830,320,000 for fiscal year 1995. We will insert into the record at this point the U.S. Attorneys' fiscal year 1995 budget justification.

[The information follows:]

Department of Justice
United States Attorneys
Estimates for Fiscal Year 1994
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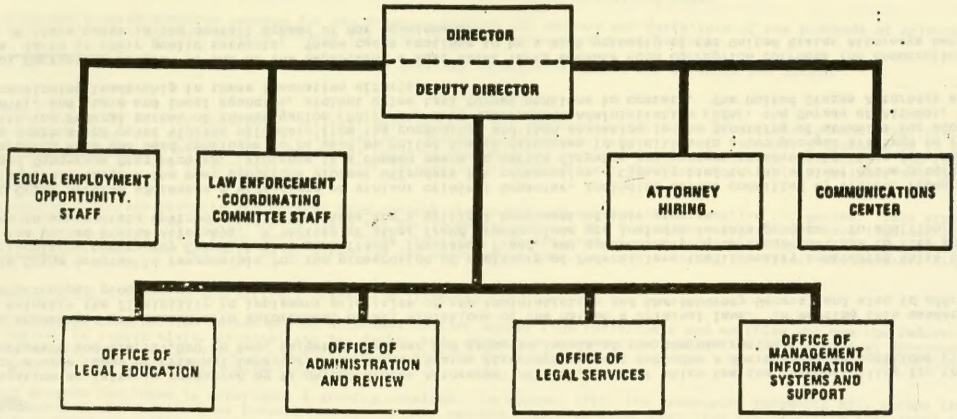
EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS



Approved by: William French Smith Date: 8/17/84
Attorney General

UNITED STATES ATTORNEYS
Salaries and expenses
Summary Statement
Fiscal year 1995

The United States Attorneys are requesting, for 1995, a total of 8,116 positions (including 3,836 attorneys) 8,189 workyears, and $830,320,000. This request represents a decrease of 123 positions (including 62 attorneys), 123 workyears, and $14,109,000 under the 1995 base.

The United States Attorneys are the principal litigators for the United States Government. It is their task to prosecute those who violate our nation's laws, to protect the public from those who would illegally further their private interests at the expense of the general welfare, to protect the legitimate powers of the Federal Government from those who would usurp those powers, and to assert policies established by the Congress, the Administration and the Attorney General.

The United States Attorneys' appropriation consists of four decision units. They are: Criminal Litigation; Civil Litigation; Legal Education; and Management and Administration. The request for each decision unit is discussed below.

CRIMINAL LITIGATION:

The criminal litigation activity is conducted by 94 United States Attorneys' offices, each of which has the responsibility for the investigation and prosecution of a wide range of criminal behavior. The United States Attorneys request includes a decrease of 89 positions (including 45 attorneys), 89 workyears and $14,727,000 to meet targeted workyear and resource levels of the Administration.

The United States Attorneys' are tasked with enforcement of all violations of the nation's criminal laws. In meeting this mandate, the United States Attorneys maintain the flexibility to implement priorities of the Administration and the Attorney General and also to address emerging crime trends. The principal programs are:

The Economic Crime program is responsible for the prosecution of violators of Federal laws traditionally considered white collar crimes. Frauds, particularly bankruptcy fraud, health care fraud, insurance fraud, and government program fraud continue to rise and are of major concern to the United States Attorneys. A variety of other fraud prosecutions are included in this program. In addition, criminal prosecutions in appropriate environmental crime cases are a critical component of this program.

The Violent Crime program addresses a wide-range of violent criminal behavior, including crimes committed by violent repeat offenders. Project Triggerlock targets the most dangerous violent offenders for prosecution. Closely tied to the violent crime program is the Narcotics and Dangerous Drug program. Violence is a common means to settle disputes and protect territory by those involved in the drug trade. Operation Weed and Seed continues to be used by United States Attorneys in 20 cities in a two pronged strategy to remove violent gangs, drug dealers and other violent offenders from the community, and then assisting in the providing of stimulus for economic reform. Together with the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), the Bureau of Alcohol, Tobacco and Firearms (ATF), and state and local agencies, violent crime task forces continue to operate. The United States Attorneys are committed to providing continuing leadership in these innovative efforts.

The Official Corruption program is one of the Department's most vital tasks because such corruption corrodes the democratic process and the peoples' faith in their public servants. These cases continue to be a high priority of the United States Attorneys because of the importance of these cases in the overall scheme of our government.

The Other Crimes program covers a broad range of crimes, including civil rights violation, hate crimes, sexual assault, and child molestation. Protection of the individual rights of all persons, by the administration and the Attorney General has led to renewed emphasis in this program.

The Organized Crime program addresses investigations and prosecutions of those individuals who, as members of organized criminal groups, terrorize their victims through extortion, bribery, kidnapping and murder. The focus of this program has expanded beyond the traditional organized crime groups to include ethnic and other gangs which are growing at an alarming rate.

The Asset Forfeiture program produces revenue for the Treasury through the seizure and forfeiture of the proceeds of criminal activity. In addition to revenue production this program attacks the profits earned through criminal activity.

The Appeals program ensures that conviction and sentences obtained in district courts are defended and upheld.

CIVIL LITIGATION:

Civil Litigation is conducted by 94 U.S. Attorneys' offices, each of which has the responsibility to protect and advance the interests of the United States government through the conduct of civil litigation. The United States Attorneys request includes a decrease of 32 positions (including 17 attorneys) 32 workyears and $5,332,000 to meet targeted workyear and resource levels of the Administration. The request also includes an increase of $6,954,000 for supervision of the 1996 International Union Officer Elections for the International Brotherhood of Teamsters.

The Affirmative Civil program protects the Federal fisc through the conduct of aggressive affirmative litigation. This area includes Health care, Medicare, Securities and Insurance fraud and Environmental cases. The United States Attorneys have implemented the Affirmative Civil Enforcement (ACE) Pilot project in three districts. The Pilot Project has demonstrated that the pursuit of federal penalties in the civil realm can not only be an effective law enforcement tool, but can also pay for itself and generate significant income for the United States.

Other Affirmative Civil Litigation aggressively tracks and litigates fraud against the government.

In the Debt Collection program, the United States Attorneys collect monies from individuals and entities who owe the Federal Government billions of dollars in unpaid civil, criminal and tax debts; and, enhance enforcement and collection by the Federal Government of claims for monetary penalties against individuals and entities who violate the federal civil statutes. The Federal Debt Collection procedures Act of 1990 opens up many avenues for collecting money.

The Bankruptcy program continues to experience a growing caseload. In August, 1992, the bankruptcy judgeship bill became law, authorizing additional judgeships. Cases will move through the system more rapidly, creating more court time and requiring additional resources for the United States Attorneys offices handling those cases.

LEGAL EDUCATION:

The Legal Education program is committed to improving the quality of legal representation and services provided by Executive Branch Attorneys and support staff employed by the United States of America. The United States Attorneys request is a decrease of 1 position, 1 FTE, and $153,000 to meet the targeted resource levels of the Administration.

MANAGEMENT AND ADMINISTRATION:

The Management and Administration program encompasses all of the Executive Office for United States Attorneys (EOUSA) with the exception of the Office of Legal Education. The EOUSA provides general assistance and supervision to the 94 United States Attorneys' offices, and coordinates with the other organizational units of the Department under the direction of the Deputy Attorney General. The request is a reduction of 1 position, 1 FTE, and $851,000 to meet the resource targets of the Administration.

NATIONAL PERFORMANCE REVIEW

The United States Attorneys have implemented or initiated projects designed to streamline operations and provide employees with the tools necessary to accomplish their mission. A wide area network allowing all offices to communicate with each other, other Departmental components on the network and to interact with other databases has been installed. Services such as degaussing of computer storage media, communication software and litigation support contracts have been made available to other Department components. Employees in the United States Attorneys' offices (USAO's), through delegations of authority and operating budgets plan and manage their fiscal operations and financial and management reports, tailored to meet their needs have been developed. Procurement authority for small purchases has been delegated to all 94 offices. Space needs have been reviewed resulting in a space savings in excess of 330,000 square feet. A time reporting system used by all offices was converted to a fully automated system which eliminates the need for a keying contract. Leased telephone systems have been replaced and systems from offices which have outgrown them have been relocated to other offices. Many field offices have been delegated personnel authority for non attorney personnel and Delegation of attorney personnel authority will be tested in selected districts.

United States Attorneys

Salaries and expenses

Justification of proposed Changes in Appropriation Language

The 1995 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, United States Attorneys

For necessary expenses of the Office of the United States Attorneys; and for intergovernmental agreements, [$813,797,000], of which not to exceed $2,500,000 shall be available until September 30, [1995] for the purposes of (1) providing training of personnel of the Department of Justice in debt collection, (2) providing services to the Department of Justice related to locating debtors and their property, such as title searches, debtor skiptracing, asset searches, credit reports and other investigations, (3) paying the costs of the Department Justice for the sale of property not covered by the sale proceeds, such as auctioneers' fees and expenses, maintenance and protection of property and businesses, advertising and title search and surveying costs, and (4) paying the costs of processing and tracking debts owed to the United States Government: Provided, That of the total amount appropriated, not to exceed $8,000 shall be available for official reception and representation expenses; Provided further, that not to exceed $10,000,000 of those funds available for automated litigation support contracts shall remain available until expended: $830,320,000 1996 Provided further, that of these funds not to exceed $6,954,000 shall be available until expended for the supervision of the International Brotherhood of Teamsters national election.

(28 U.S.C. 519, 541-550; 48 U.S.C. 1424, 1617, 1694; Department of Justice and Related Agencies Appropriations Act, 1994).

United States Attorneys
Salaries and expenses
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Transfer from HIDTA	Reprogrammings			1994 Appropriation Anticipated		
	Pos	WY	Amount	Pos	WY	Amount	Amount	Pos	WY	Amount	Pos	WY	Amount
Criminal Litigation	6,090	5,703	$584,424	...	391	$2,761	$4,643	...	...	...	6,090	6,094	$591,828
Civil Litigation	1,938	1,857	183,604	...	127	2,239	...	...	...	...	1,938	1,984	185,843
Legal Education	27	24	6,968	...	2	...	...	...	...	...	27	26	6,968
Management and Administration	184	195	33,801	...	13	...	...	...	...	...	184	208	33,801
Subtotal	8,239	7,779	808,797	...	533	5,000	4,643	...	...	...	8,239	8,312	818,440
Debt Collection	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	8,239	7,779	808,797	...	533	5,000	4,643	...	...	...	8,239	8,312	818,440

Congressional Appropriations Actions. The United States Attorneys received 217 FTE and $5,000,000 more than the President's request to reinstitute the summer hiring program and to lessen the impact of the hiring restrictions placed on the U.S. Attorneys.

1994 workyears shown include 316 additional FTE for employees who previously did not count against workyear ceilings.

United States Attorneys
Salaries and expenses
Summary of Resources by Program
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	WY	Amount
1994 Appropriation Anticipated	8,239	8,312	818,440
Transfers from General Administration for Mail Management	...	...	17
Mandatory increases	...	...	32,829
Decreases	...	...	(6,857)
1995 Base	8,239	8,312	844,429

Estimates by Program	1993 as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation	6,179	6,014	$565,536	6,179	6,008	$568,806	6,090	6,094	$591,828	6,090	6,094	$606,799	6,001	6,005	$592,072	(89)	(89)	($14,727)
Civil Litigation	1,970	1,965	175,592	1,970	1,960	176,572	1,938	1,984	185,843	1,938	1,984	194,937	1,906	1,952	196,559	(32)	(32)	1,622
Legal Education	27	26	30,125	27	26	24,525	27	26	6,968	27	26	7,087	26	25	6,934	(1)	(1)	(153)
Management & Admin.	186	214	25,709	186	214	25,709	184	208	33,801	184	208	35,606	183	207	34,755	(1)	(1)	(851)
Total	8,362	8,219	796,962	8,362	8,208	795,612	8,239	8,312	818,440	8,239	8,312	844,429	8,116	8,189	830,320	(123)	(123)	(14,109)
Reimbursable Workyears		929			895			915			915			895			(20)	
Total Workyears		9,148			9,103			9,227			9,227			9,084			(143)	
Other Workyears:																		
Holiday		...			...			...			...			...			...	
Overtime:																		
AUO		3			3			3			3			3			...	
Other		76			76			76			76			76			...	
Total compensable workyears		9,227			9,182			9,306			9,306			9,163			(143)	

United States Attorneys
Reimbursable Resources
Summary of Requirements
(Dollars in thousands)

	1995 Actual			1996 Estimate			1995 Request			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Collections by Sources												
Agency for International Development			$5									
Antitrust Division			108			198			491			
Bureau of Prisons			1									
Bureau of Reclamation	.		380			150			150			
Civil Division	10	.	103									
Civil Rights Division	.	..	78						.		.	
Comodity Futures Trading Commission			1		.				...	.		
Criminal Division	.		135			515			607		...	.
Department of Defense	...	..	1	..	..				...		.	
Department of Energy			90	.	...	90			90	.	..	
Department of Health & Human Services	.		2	.	..	.	.	.	..	..	..	..
Department of Housing & Urban Development	..	..	327	.	..	2,200		.	2,200	.	.	
Department of the Interior	...	...	119	..	...	..	...	.	...	...	...	.
Department of Labor	..	.	4	.			.	.	...		..	
Department of the Treasury	...	..	80		.	54	.	..	54	.	..	..
Environmental and Natural Resources Division	...	..	50	.	.	...	.		...	.	..	..
Executive Office for Asset Forfeiture	...	...	76	.	..	...	..	...	...	.	...	...
Executive Office for OCDETF	946	895	78,069	932	915	77,717	912	895	75,287	(20)	(20)	(2,430)
Farmers Home Administration	...	...	800	..	.	800		..	800	..	..	...
Federal Bureau of Investigation	..	...	112	.	..	...	.	...	...	.	..	...
General Services Administration	.	..	511	.		67		...	67	.	...	...
Justice Management Division	...	.	486	.	..	8		..	8	..	..	...
National Oceanic Service		.	13		..	..		..	...	..	..	..
Navy Regional Data Automation Center		..	60			..			...	.	..	...
Office of Justice Programs/BJA			150		..	102			102		..	...
Office of the Associate Attorney General	..	..	69		..	...		.	...	..	..	...
Office of the Deputy Attorney General	..	...	25	.		...			..	.	.	...
U.S. Army Corps of Engineers	.	...	1			24	.	.	...	..	...	(24)
Tax Division	..	.	1	.		...	.	..	...	.	...	..
U.S. Customs Service		.	124	.		124		.	124	..	..	...
U.S. Department of Agriculture	.		3			.			..	..	..	..
U.S. Postal Service		..	24	..	.		.	.	...	..	...	...
Budgetary Resources	956	895	$82,008	932	915	$82,249	912	895	$79,980	(20)	(20)	($2,456)

United States Attorneys
Reimbursable Resources
Summary of Requirements
(Dollars in thousands)

	1993 Actual			1994 Estimate			1995 Request			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Obligations by Program:												
Criminal	...	...	831	...	...	1,091	...	..	1,276	...	...	...
Civil	10	...	1,961	...	...	3,264	...	...	3,240	...	...	(24)
Office of Legal Education	...	...	150	...	...	102	...	...	102	...	...	...
Drug Task Force	946	895	78,069	932	915	77,717	912	895	75,287	(20)	(20)	(2,430)
Management and Administration	...	...	997	...	...	75	...	...	75	...	...	...
Total	956	895	82,008	932	915	82,249	912	895	79,980	(20)	(20)	(2,454)

Justification of Increase/Decrease:
The reduction in OCDE for FY 1995 is required to meet workyear levels established by the Administration.

United States Attorneys
Salaries and expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: U.S. Attorneys	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation.....	6,090	6,094	$591,828	6,090	6,094	$606,799	6,001	6,005	$592,072	(89)	(89)	($14,727)
Civil Litigation.....	1,938	1,984	185,843	1,938	1,984	194,937	1,906	1,952	196,559	(32)	(32)	1,622
Legal Education.....	27	26	6,968	27	26	7,087	26	25	6,934	(1)	(1)	(153)
Management and Administration....	184	208	33,801	184	208	35,606	183	207	34,755	(1)	(1)	(851)
Total.....	8,239	8,312	818,440	8,239	8,312	844,429	8,116	8,189	830,320	(123)	(123)	(14,109)

This budget activity includes resources for the primary mission of the United States Attorneys. Funds for this activity support personnel involved both at headquarters and in the field in the prosecution of individuals charged with violations of Federal law in several areas.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation.....	6,090	6,094	$591,828	6,090	6,094	$606,799	6,001	6,005	$592,072	(89)	(89)	($14,727)

LONG-RANGE GOAL: To identify, prosecute, and convict those persons and legal entities who have committed offenses against the laws of the United States.

MAJOR OBJECTIVES:

To maintain our efforts, in cooperation with other federal agencies and state and local authorities, in eliminating neighborhood terrorism by fully utilizing criminal statutes to remove those engaged in violent crime, drug trafficking and other drug-related crime from the streets, in order to provide a safe, nurturing, environment for our citizens and future generations.

To maintain federal law enforcement efforts against white-collar criminals, with particular emphasis on the following areas: a. health care fraud; b. bankruptcy fraud; c. insurance fraud; and d. computer fraud.

To prosecute criminally those who intentionally defile, pollute, and destroy our environment.

To identify, investigate, prosecute and convict those controlled substances violators whose organizations and conspiracies do not meet Organized Crime Drug Enforcement criteria, but whose activities have a major adverse impact on local communities.

To investigate and prosecute violations of civil rights.

To identify, investigate, prosecute and convict those who are criminally involved in: violations of export laws affecting critical technology; and fraud against the United States, with regards to defense programs, housing programs, waste of United States' assets and resources, and abuse of contracts signed with the United States.

To continue our ability to prosecute traditional and emerging organized criminal groups.

To maintain a strong and unswerving presence in the appellate courts, ensuring that the convictions and sentences obtained against criminal offenders are defended and upheld.

To aid victims of crime by keeping them apprised of litigative actions concerning them, and by assisting them in coping with the legal system.

To assist witnesses by preparing them for court appearances, and ensuring that they are coordinated in a manner most advantageous to the government, and to comply with the Victim Witness Protection Act and the Crime Control Act.

To promote coordination and cooperation among all federal, state and local law enforcement agencies through the Law Enforcement Coordinating Committees.

BASE PROGRAM DESCRIPTION:

The United States Attorneys are responsible for the investigation and prosecution of a wide range of criminal activities. The United States Attorneys receive most of their criminal case referrals from federal investigative agencies or become aware of criminal activities in the course of investigating or prosecuting other cases. They also receive criminal case referrals from state and local investigative agencies. Occasionally, criminal violations are reported to the United States Attorneys by citizens. After careful consideration of a criminal referral or "matter," a United States Attorney decides the appropriateness of bringing criminal charges and, when appropriate, initiates prosecution. Except for misdemeanor offenses and instances in which an alleged offender waives the right to a grand jury indictment, the United States Attorney presents evidence to a grand jury. The grand jurors decide whether to return an indictment. If an indictment is returned, the United States Attorney then presents the criminal charges in open court at the arraignment of the defendant.

Although not all criminal prosecutions are concluded by trial, the United States Attorneys must always be prepared to go to trial. Consistent preparation for trial minimizes the risk of dismissal for noncompliance with the Speedy Trial Act and strengthens the Government's position in negotiations with defense counsel for a guilty plea. When a guilty plea is not obtainable, a trial becomes necessary. The United States Attorney then presents factual evidence to convince the jury, or the judge in a non-jury trial, of the defendant's guilt. If the defendant is convicted, the United States Attorney defends the conviction at post-trial hearings and appeals. The United States Attorneys' offices handle most criminal appeals at the intermediate appellate level. After filing a brief, the United States Attorney may be required to participate in oral argument before the United States Court of Appeals. If there is a further appeal, the United States Attorneys may be called upon to assist the Department's litigating divisions and the Solicitor General in preparing the case for review by the United States Supreme Court.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Criminal Litigation Program are presented in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
Matters pending, start of year	55,039	62,292	64,504	70,504
Matters received	100,128	98,675	98,500	98,500
Matters terminated1/	92,875	96,463	92,500	90,228
Matters pending, end of year	62,292	64,504	70,504	78,776
Grand jury proceedings	25,470	23,757	24,200	23,793
Defendants charged	40,402	38,724	39,400	38,780
Cases pending, start of year	35,290	37,392	38,578	37,578
Cases filed2/	35,263	36,995	34,000	33,437
Cases terminated2/	33,161	35,809	35,000	34,471
Cases pending, end of year	37,392	38,578	37,578	36,544
Appeals filed	7,042	8,079	8,100	8,150
Gross value of assets forfeited (dollars in thousands)3/	$530,967	$555,700	$500,000	$500,000

1/Includes cases filed.
2/The 1995 estimates for Criminal cases filed and terminated differ in the President's budget/galleys due to typographical error. The correct numbers are cases filed 33,437 and cases terminated 34,471.
3/Includes administrative forfeitures processed by the investigative agencies; judicial forfeitures handled by the U.S. Attorneys' offices; Customs Service forfeitures; and agencies' bidbacks of property.

The criminal litigation program objectives are accomplished through the work of 94 United States Attorneys' offices, each of which has responsibility for the investigation and prosecution of a wide range of criminal behavior. Actual and estimated accomplishments are reflected above.

The matters received in the United States Attorneys' offices decreased slightly in FY 1993. This may be the effect of staffing reductions by client agencies. Matter workload is projected to increase as United States Attorneys' absorb personnel reductions thereby ebbing the flow of new cases into the case workload. This is reflected in the decrease in grand jury investigations and the case workload inventory.

The following cases are representative of the types of cases prosecuted in FY 1993. These cases serve to illustrate the diversity, complexity, and sensitivity of criminal prosecutions.

VIOLENT CRIME

U.S. v. Davison (District of Idaho): On January 14, 1993, Davison was sentenced to serve a mandatory life term in federal prison without possibility of parole on a first degree murder conviction, and to a consecutive five-year term without possibility of parole on the conviction for use of a firearm in committing a crime. He was also ordered to pay a fine of $4,000 and a special assessment of $100. Davison had murdered Victor Pierre on the Coeur d'Alene Indian Reservation. Davison had previously been convicted of second degree murder in May 1974 and served a 12-year federal prison sentence on that conviction. Former United States Attorney Maurice Ellsworth stated that "This case is a prime example of the necessity of sending violent criminals away for long prison terms--even life. The defendant was clearly a violent individual who murdered once, served a sentence then committed murder again. . . ."

U.S. v. Salameh & Ayyad, U.S. v. Elgabrowny (Southern District of New York): On March 17, 1993, a federal grand jury returned indictments charging that Salameh and Ayyad maliciously damaged and destroyed the World Trade Center by means of an explosive device, causing the death of six people. In a related case, the grand jury charged Elgabrowny with obstruction of justice, two counts of assault on a federal officer, possession of fraudulent passports and obstructing the execution of a search warrant. If convicted, Salameh and Ayyad face a maximum penalty of life imprisonment and a $250,000 fine; Elgabrowny faces a total maximum penalty of 14 years imprisonment and total maximum fines of $1 million. In announcing the filing of the indictment, Roger S. Hayes, former United States Attorney for the Southern District of New York, stated, "With the same swiftness, intensity and single-minded purpose with which state, city and federal emergency workers rushed to the aid of the victims of the horrendous bombing, the United States of America, working with its city and state partners, has moved to investigate--and will move to prosecute and ultimately punish--those whose cowardly acts caused this destruction. . . ." The trial is currently underway.

U.S. v. Volanty (Western District of Missouri): On July 15, 1993, Robert Melvin Volanty, 46, was sentenced to 29 years and 2 months in prison without parole for his convictions for conspiracy to distribute cocaine, possession with intent to distribute cocaine, use of a firearm during drug trafficking, and possession of a weapon by a convicted felon. Volanty was a five-time convicted felon at the time of this arrest for a parole violation on November 21, 1992. One month prior to his arrest, officers served a search warrant at Volanty's home in rural Benton County, Arkansas, from which the seized approximately six kilograms of cocaine, 80 pounds of marijuana, and several fire arms.

WHITE COLLAR CRIME

U.S. v. Lutz, Jr. (Eastern District of Pennsylvania): Alfred J. Lutz, Jr., the president of the Montgomery County Savings and Loan, was sentenced to nearly four years in prison on April 8, 1993, for the fraudulent misapplication of $222 million in bank funds. The money was loaned to developers with disreputable financial backgrounds. In October 1992, Lutz in pleading guilty, admitted that he had recklessly lent the $222 million to three borrowers in Texas and Colorado and then covered it up when the loans went bad. Montgomery became one of the nation's 10 most expensive S&L failures.

U.S. v. Smushkevich and Jovovich (Central District of California): Michael Smushkevich, founder and owner of a string of medical diagnostic clinics in Southern California, and Bovich Jovovich, the doctor who managed the clinics, pleaded guilty on March 17, 1993, to a $1 billion medical insurance fraud described as the largest medical fraud in U.S. history. Smushkevich and Jovovich used telephone marketers at the clinics to lure patients to the facilities with promises of free medical examinations. The patients were then diagnosed with disorders they did not have and their insurance companies were billed up to $8,000 per patient. Both defendants have since attempted to reverse their pleas, and sentencing has not been scheduled at this time.

OFFICIAL CORRUPTION

U.S. v. Lanier (Western District of Tennessee): On April 13, 1993, Judge David Lanier, who was convicted of sexually assaulting five women at his small-town courthouse, was sentenced to the maximum term of 25 years in prison. Lanier was convicted of twice forcing one woman, who had a child custody case before his court, to submit to oral sex in his office. He was also convicted of grabbing the other women on various parts of their bodies. In addition to the prison term, Lanier was fined $25,000 and ordered to pay the government $1,500 a month while imprisoned, if he draws a state pension.

U.S. v. Justice (District of Delaware): On March 18, 1993, the former Secretary of Transportation for the State of Delaware, Kermit Justice, was sentenced to 27 months imprisonment as a result of his conviction of Hobbs Act extortion. This conviction resulted from an undercover FBI investigation during which an agent posing as an out of state developer attempted to rezone land to build an office complex adjacent to a historic state conference center. Mr. Justice obtained $90,400 to assist in obtaining the necessary state and county approvals including approval of a traffic impact statement issued by his department. In addition to receiving the $90,400, he requested over $175,000 during the rezoning process.

OTHER CRIME

U.S. v. Foster (Southern District of Indiana): On July 16, 1993, Kevin Foster was convicted of aggravated sexual assault. The case involved the on-going molestation of a child less than ten years old, by the spouse of the military mother who was stationed at Ft. Benjamin Harrison. There was no corroborating medical evidence and the Government's case largely rested on the credibility of the young victim. This trial was the first in the district to utilize the new child protection statutes, section 3509 et. seq., and included a closed courtroom during the victim's testimony and presence of an adult attendant.

U.S. v. Johns (District of Minnesota): Dale Johns, a former employee and director of social services on the Red Lake Indian Reservation was sentenced on December 31, 1992, to nine years in prison for sexually abusing his step-daughter. Johns, also a practitioner of traditional Indian medicine, had distorted matters of faith and spirituality and had perversely interpreted dreams to coerce sexual favors from the victim. Johns was convicted in September 1992 for sexually abusing his step-daughter from the age of 15 until the age of 21.

U.S. v. William and Daniel McDermott (Northern District of Iowa): On July 20, 1993, William and Daniel McDermott, brothers, were sentenced for civil rights violations in connection with a cross burning in a city park five years ago. William McDermott received 84 months imprisonment, 3 years supervised release and a $75 special assessment. Daniel McDermott received 52 months imprisonment, 3 years supervised release and a $75 special assessment.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation.....	6,090	6,094	$606,799	6,001	6,005	$592,072	(89)	(89)	($14,727)

A program decrease of 89 positions (45 attorneys), 89 workyears, and $9,066,000 is required to meet workyear levels established by the Administration. This reduction will impact on the general crimes programs of the Offices of the United States Attorneys. The United States Attorneys will continue to prosecute priority programs as established by the Attorney General and increase productivity whenever possible.

Since many of our client agencies have received similar reductions in positions and workyears, we can anticipate some reductions in the number of referrals received. However, it is too soon to measure the impact on the overall Criminal Justice system.

A program decrease of $3,016,000 is required to reduce administrative expenses to assist in controlling the Federal deficit, and improving the Federal government's administrative productivity. The reduction will be accomplished through savings in automated litigation support services, reduce training courses and conferences, eliminate paid employee relocations, curtail office moves and renovations, minimize printing costs, absorb inflationary price increases, limit equipment purchases, and reduce other administrative expenses.

A program decrease of $2,645,000 to absorb the locality pay will be realized through savings due to the modified hiring freeze implemented in fiscal year 1993 and continued this current budget year. Significant efforts have been made to reduce other operating expenses, i.e., travel, reduced telecommunications costs, and other operating expenses. Whenever possible, advanced technology was purchased to avoid expensive leasing or contracting costs. Office renovation and renovation expenses have been reduced and future plans are under review for further costs reductions.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Litigation	1,938	1,984	$185,843	1,938	1,984	$194,937	1,906	1,952	$196,559	-32	-32	$ 1,622

LONG - RANGE GOAL: To protect and to advance the interests of the United States through the conduct of civil litigation.

MAJOR OBJECTIVES:

To respond promptly and professionally to all suits brought against the United States, its officers and employees.

To protect the Federal fisc through the conduct of aggressive affirmative litigation, including:

Supporting Federal programs, as necessary, by litigation and negotiation.

Collecting monies owed the United States.

Defending the United States against loss in bankruptcy and other proceedings in which the United States has a financial interest.

Representing the interests of the United States in affirmative and defensive civil environmental litigation.

Aggressively using new property forfeiture statutes to seize the assets of drug and other offenders.

Articulating completely and forcefully the positions of the United States on issues pending in the Courts of Appeals.

Recovering losses resulting from savings and loan and bank fraud.

BASE PROGRAM DESCRIPTION: As the attorneys and counselors for the United States, the United States Attorneys do a substantial amount of work in civil litigation. Their workload in the civil field includes providing competent legal representation to respond to civil actions brought against the United States, aggressively pursuing civil enforcement of federal laws and regulations, and efficiently recovering federal financial resources. Both affirmative and defensive civil representation are of vital concern to the United States Attorneys as both activities preserve, protect, and defend the interests of the United States and federal resources.

Civil matters and cases consume a significant portion of the United States Attorneys' resources, especially in the areas of recovery of money, defense of monetary claims and debt collection. The litigation brought against the Government covers a range of causes of action, including tort (damage suffered as a result of Government action--e.g., collision with a postal service vehicle, malpractice by a Government physician, invasion of privacy by a Government agent), the determination of social security benefits, tax refunds, contract violations, race, sex, and age discrimination, and habeas corpus. The Government also initiates civil litigation against private parties for a wide range of purposes. These purposes include the recovery of money taken from the Government by fraud, the acquisition of interests in land by eminent domain proceedings, the enforcement of administrative summonses, the enforcement of environmental, admiralty, civil rights and other laws for which there are civil law penalties, and the recovery of debts owed to the Government.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Civil Litigation program are presented in the following table:

	1992	1993	Estimates 1994	1995
Matters Pending Beginning of Year	15,470	17,501	18,264	17,150
Matters Received	112,010	104,390	104,542	104,542
Matters Terminated	109,979	103,627	105,656	107,972
Matters Pending End of Year	17,501	18,264	17,150	13,720
Cases Pending Beginning of Year	104,784	117,434	120,504	125,786
Cases Filed 1/	99,927	94,092	94,268	94,200
Cases Terminated	87,277	91,022	88,986	88,900
Cases Pending End of Year	117,434	120,504	125,786	131,086
Appeals Filed	4,047	4,391	4,090	4,225
Appeals Terminated	3,314	3,849	3,557	3,670
Trials	1,234	998	1,246	1,246

1/The 1993 Civil cases filed differ in the President's budget/galleys due to a typographical error. The correct number is 94,092.

EXPLANATION:

The Civil Litigation program objectives are accomplished through the work of 94 United States Attorneys' offices, each of which has responsibility to respond promptly and professionally to all suits brought against the United States, its officers and employees and to collect monies owed to the United States. Actual and estimated accomplishments are reflected above.

The workload illustrates that the United States Attorneys will continue to prosecute cases at the Fiscal Year 1993 level absorbing the mandated FTE cuts in Fiscal Years 1994 and 1995. The matters received, terminated and case filed are down slightly in Fiscal Year 1993. However, the cases terminated are up 4 percent. The combination of criminal priorities and the United States Attorneys hiring freeze has caused a slight decline in the civil workload.

The absorption of the 32 mandated FTE reduction is a loss of 17 attorneys or a 2 percent reduction in the attorney workforce. At this reduced level, the United States Attorney's will maintain the Fiscal Year 1993 workload level. However, at this level, the cases pending will increase by 9 percent. This percentage increase and the increased complexity in the prosecution of civil cases will cause the backlog of cases to grow tremendously.

Significant cases handled by the United States Attorneys are presented below.

AFFIRMATIVE MONETARY:- Environmental Enforcement, Health Care, Civil Fraud, and Qui Tam cases are categorized within the Civil program Affirmative Monetary program.

ENVIRONMENTAL ENFORCEMENT:

In the Northern District of Indiana, in US v. Inland Steel Corporation, the resolution of a civil enforcement action, which was filed against Inland Steel Corporation's East Chicago, Indiana facility in October 1990, was announced. According to the consent decree, Inland will pay a $29.5 million civil penalty in settlement of the hazardous waste laws. The defendant is to begin a comprehensive cleanup program to comply with federal air and water requirements and to correct numerous hazardous waste problems at its 2,400 acre steel facility in Northwest Indiana.

In the Eastern District of California, in US v. Mobil Oil, a civil penalty in the amount of $950,000 was paid by Mobil Oil Corporation to settle allegations that its polystyrene foam manufacturing facility in Bakersfield, California exceeded limits on emissions of volatile organic compounds (VOCs) for at least two years. The fine is the largest penalty collected by the federal government for the Clean Air Act violations in California.

HEALTH CARE:

In the District of Minnesota, in US v. Healthspan Transportation Services, a $3 million settlement was reached between the United States Attorneys Office, the U.S. Department of Health and Human Services and the Minnesota Attorney General's Office with Healthspan Transportation Services, formerly Health One Transportation Services, for fraudulent billing of Medicaid and Medicare programs. Health One falsely billed Medicaid and Medicare for basic life support ambulance transportation, claiming the rides were medically necessary, when a lesser form of transportation would have been appropriate.

In an investigation directed by the United States Attorney's Office in the Southern District of California, the FBI, the Inspector General of the Department of Health and Human Services, and a number of other local law enforcement agencies assisted in an investigation focused on a national marketing and billing scheme by National Health Laboratories (NHL) to induce doctors to order unnecessary laboratory tests that would be billed out to Medicare and other insurance carriers at prices for higher than the doctor expected. The result was a loss to the Medicare, Medicaid, and CHAMPUS (Civilian Health and Medical Program for the Uniformed Services) programs of millions of dollars due to unnecessary laboratory testing. The result was that the NHL agreed to pay the United States $100 million to settle the Medicare fraud case.

In the Eastern District of Pennsylvania, the United States was awarded a $19,000,000 judgment in a Medicare fraud case in United States v. Lorenzo. The False Claims Act was the basis for the action.

The United States recovered $4,814,822 in United States v. Angelo Anile in the Southern District of West Virginia from a pharmacist who was convicted of five felonies for the unlawful dispensing of controlled substances. Subsequent to his conviction the West Virginia State Medicaid Fraud Unit conducted an investigation that exposed 440 false and fraudulent billings amounting to actual losses to the government of $7,206. The lawsuit also included various record keeping violations of the Drug Abuse Prevention Act, each subject to a maximum civil penalty of $25,000 per violation.

In the District of Massachusetts, a medicare fraud case, involving eye health care services was settled for $2.5 million plus interest, the largest amount ever recovered by the district against a health care provider for civil fraud.

CIVIL FRAUD:

In the Western District of New York, in US v. Battenfeld Grease & Oil Corp., Battenfeld Grease and Oil Corp., a company located in North Tonawanda, New York must agree to pay the United States a $500,000 fine, and in addition $7,000,000 in restitution and damages. The judgements were based on Battenfeld Grease & Oil Corp. fraudulent conduct in its contractual dealings with the United States Department of Defense.

In the Middle District of Georgia, in US v. Calhoon, John Calhoon was indicted for allegedly making or causing to be made, false and fictitious entries in cost reports submitted by eight Charter hospitals in five southeastern states to Medicare for reimbursement. Charter Medical has reimbursed the government $1.8 million as a result of the overcharges.

QUI TAM:

In the Eastern District of New York, US v. D'Avino and Unisys and Honeywell was a lawsuit initially brought under the qui tam provisions of the False Claims Act. The suit was directed against the corporate defendants for a series of defense procurement contracts for the simulator training aircraft. The United States intervened in the action, filed an amended civil complaint and undertook an 18 month investigation of over 100 witnesses and thousands of documents. Prosecutors managed to ferret out, despite sophisticated accounting efforts at concealment, a fraudulent scheme in which defendants submitted cost proposals that hid unallowed expenses in artificially inflated labor costs. As a result of the investigation, Sperry/Unisys pled guilty to filing a false statement and defendants paid the United States $13 million in civil penalties.

In the Central District of California, the United States reached a settlement with American Healthcare Management (AHM) and Dr. Pablo Nankin of Beverly Hills to resolve a False Claims Act lawsuit against them. The law suit was initially brought by a qui-tam plaintiff who charged that AHM, a nation-wide hospital chain, and Dr. Nankin defrauded Medicare by submitting and obtaining reimbursements for false outpatient claims. In the course of the investigation the United States Attorney's office found that Dr. Nankin was also engaged in a sophisticated kickback arrangement in which he indirectly paid doctors money for patient referrals. The settlement collected totaled $1,375,000.

In the Northern District of Texas, Motorola agreed to pay the government $15.1 million to settle claims that a business unit of the company, the Motorola Computer Group, (MCG) submitted defective pricing information in connection with Multiple Award Schedule contracts with the General Services Administration (GSA). GSA's policy is to award Multiple Award Schedule contracts only to those companies which offer the government prices or discounts equal to or better than those provided to the company's comparable commercial customers. The government alleged and Motorola acknowledged that, contrary to GSA requirements, MCG failed to disclose that it gave its commercial customers more favorable discounts than those given to the government. As a result, the government alleged it paid higher prices than it should have for the products and services it purchased under its Multiple Award Contract.

BANKRUPTCY:

The District of Colorado handled a bankruptcy petition that was filed by the Swedish Corona Cooperative under Chapter 11. Under the proposed Plan of Reorganization, property was to be sold for $8,700,000 and the HUD would have received between $7,700,000 and $8,400,000. The plan was contested and settled for $9,450,000. As a result of the Government contesting the plan, the settlement was increased by $1,500,000.

In the Southern District of Texas, HUD was owed approximately $6 million for an apartment project as a mortgagee. The debtor was approximately $1 million dollars behind in its note payments when it filed for bankruptcy. The Government's position before the Court was that its client agency, HUD, would only accept a plan that proposed a 100% payout. The Court agreed with the assessment of the case and entered a ruling which allowed the full recovery of $6 million dollars for the United States.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Litigation	1,938	1,984	$194,937	1,906	1,952	$196,559	-32	-32	$ 1,622

A program increase of $6,954,000 is requested in support of the International Officer Elections for the International Brotherhood of Teamsters. In addition, a program decrease of 32 positions, 32 workyears, and 2,848,000 is requested to meet workyear levels established by the Administration. The reduction will be achieved by attrition. The United States Attorneys will continue to prosecute priority programs as established by the Attorney General and increase productivity whenever possible. Since many of our client agencies have received similar reductions in positions and workyears, we can anticipate some reductions in the number of referrals received. However, it is too soon to measure the impact on the overall Justice system.

In addition, a program decrease of $982,000 is requested to reduce administrative expenses to assist in controlling the Federal deficit, and improving the Federal government's administrative productivity. The reduction will be accomplished through savings in automated litigation support services, reducing training courses and conferences, elimination of paid employee relocations, curtailment of office moves and renovations, minimizing printing costs, absorption of inflationary price increases, limiting equipment purchases, and reducing other administrative expenses.

A program decrease of $1,502,000 to absorb the locality pay will be realized through savings due to the modified hiring freeze implemented in fiscal year 1993 and continued this current budget year. Significant efforts have been made to reduce other operating expenses, i.e., travel, reduced telecommunications costs, and other operating expenses. Whenever possible advanced technology was purchased to avoid expensive leasing or contracting costs. Office renovation and relocation expenses have been reduced and future plans are under review for further costs reductions.

Supervision of the 1996 International Union Officer Elections for the International Brotherhood of Teamsters

The United States Attorneys are requesting $6,954,000 in no-year funds for the supervision of the 1996 International Union Officer Elections for the International Brotherhood of Teamsters (IBT).

Pursuant to the 1989 Consent Decree in United States v. IBT, the government has the authority to appoint an independent Election Officer to supervise the International Union Officer Elections at government expense. It is crucial that the government take advantage of this opportunity to supervise the election and keep it free from corruption. The IBT is the single largest trade union in North America and continues to exert extraordinary power through a membership that extends to all sectors of the economy. Control over the union continues to be a valuable prize: corrupt control affects not just the union membership, but the national economy and the public interest.

The 1996 election may be the last opportunity the government has to foster democratic participation of the membership in union governance through intensive election supervision (the 1991 election was supervised by the government at the IBT's expense). The IBT may never again voluntarily subject itself to this sort of scrutiny, and it took the government decades to assemble proof of corruption sufficient to warrant requesting this far-reaching relief from a court.

For more than 30 years, La Cosa Nostra (LCN) has exerted corrupt control over the IBT. Control of the union has meant the ability to extort employers, legitimacy, and political connections and access to millions of dollars. Available evidence strongly indicates that the LCN remains highly interested in controlling the union. The FBI has been informed that the LCN hierarchy "has already initiated discussions on the manner in which they hope to affect the outcome of the 1996 election process." Irrespective of any plans the LCN currently has for the 1996 election, the danger that Government abandonment of supervision may constitute a "green light" to corruption cannot be ignored.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Education	27	26	$6,968	27	26	$7,087	26	25	$6,934	(1)	(1)	($153)

LONG RANGE GOAL: To improve the quality of legal representation and services provided by Executive Branch attorneys and support staff employed by the United States of America.

MAJOR OBJECTIVES:

To provide high quality, cost-effective basic criminal, civil, and asset forfeiture trial advocacy and appellate advocacy training for newly hired and less experienced Federal attorneys.

To provide high quality, cost-effective criminal and civil Federal practice training for newly-hired DOJ attorneys, with previous litigation experience, and as continuing training for DOJ attorneys after the basic criminal, civil, and asset forfeiture advocacy courses.

To provide high quality, cost-effective basic criminal and civil trial advocacy training for Executive Branch attorneys serving as Special Assistant United States Attorneys.

To provide criminal and civil basic trial advocacy training for state and local government attorneys who are participating with the Department of Justice in criminal and civil cooperative efforts.

To provide high quality, cost-effective specialized criminal and civil substantive law training for those DOJ attorneys concentrating in priority areas, such as: violent crime; health care fraud; financial institution fraud; telemarketing fraud and other economic crime; public corruption; technology crime; asset forfeiture; organized crime; environmental law; affirmative civil litigation; financial litigation and debt collection; medical malpractice; Federal Tort claim defense work; and civil rights.

To provide high quality, cost-effective advanced advocacy training for Federal attorneys responsible for the litigation of complex criminal and civil cases.

To provide high quality, cost-effective management training for supervising Federal attorneys and senior litigation counsel.

To provide high quality continuing legal education programs to Executive Branch attorneys through skills courses such as basic negotiations, alternative dispute resolution and discovery techniques, and substantive law courses such as bankruptcy, Freedom of Information Act, civil agency practice, environmental law, and legal research and writing courses for attorneys.

To provide high quality, cost-effective training to Federal attorneys in ethics and professional conduct.

To provide high quality, cost-effective training for Federal paralegal and support staff and, as needed, to provide training in such areas as the Freedom of Information Act, asset forfeiture, financial litigation, debt collection and legal research and writing courses.

To provide video and audiotape lectures and written materials to those Federal attorneys who are located in geographical areas remote from the Office of Legal Education, in order to serve as many Federal attorneys as possible with high quality continuing legal education in a cost efficient manner.

BASE PROGRAM DESCRIPTION: The Office of Legal Education (OLE) develops, conducts, and authorizes the training of all Federal legal personnel [28 C.F.R. 50.22 (1990)]. OLE coordinates all legal education and attorney training for the Department of Justice and all other departments and agencies of the Executive Branch. OLE pursues its mission through the administration of two institutes - the Attorney General's Advocacy Institute (AGAI) and the Legal Education Institute (LEI). These Institutes carry distinct, yet compatible, training missions. Attendance at AGAI courses is usually restricted to Department of Justice personnel, primarily Assistant United States Attorneys, while LEI training programs are open to all Executive Branch personnel.

Public Law 102-140 provided authority and funding to "accommodate the relocation of OLE to a site on the campus of the University of South Carolina where legal education training shall be provided to Federal, State, and local prosecutive and litigative personnel." As required by this same public law, the Department of Justice submitted a report concerning the relocation of the legal education program to the Appropriations Subcommittees on March 5, 1992. A relocation site has been identified; and a cooperative agreement was executed between the Department and the University on July 19, 1993. A preliminary site study has been performed by Ellerbe Becket, Inc., an architectural firm. Their findings are favorable. An architectural and engineering design contract was executed between the Department and Robert A.M. Stein and Wilson/Tate Architects in calendar year 1993. A contract for construction management services will be signed early in calendar year 1994.

AGAI is the primary vehicle for providing instruction to Department of Justice attorneys and Assistant United States Attorneys from the 94 United States Attorneys' offices located throughout the 50 states, the District of Columbia and the territories of Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands. In addition, AGAI extends an invitation through the National Association of District Attorneys and the National Association of Attorneys General to state and local prosecutors, who express an interest in attending advocacy and Federal practice courses. Basic programs for newly hired attorneys include criminal, civil, asset forfeiture advocacy, appellate courses, Federal practice seminars, and specialty courses in priority substantive areas of the law. Advocacy skills programs are available to new and advanced trial attorneys. The Federal practice program is designed for attorneys with litigation experience who are new to the Federal legal system (e.g. former state and military prosecutors), and as continuation training for DOJ attorneys after the basic criminal, civil, and asset forfeiture advocacy courses.

AGAI uses experienced Federal trial and appellate attorneys as instructors for all its programs to present lectures, lead discussion groups, direct evidentiary exercises, and offer personalized critiques. Federal judges also participate at AGAI's advocacy courses, presiding over mock trials and mock appellate arguments. The caliber of the AGAI faculty and the use of sophisticated video-taping facilities provide students with unique training experience in trial and appellate advocacy. A significant feature of the advocacy training is the use of "learn-by-doing" exercises which concentrate on courtroom skills. The exercises simulate courtroom activities and provide students with classroom critiques and individual video replay analysis. AGAI holds seminars at its "headquarters" as well as other locations around the United States. Finally, the large attorney workforce has resulted in a high demand for attorney management training for senior criminal and civil attorneys. AGAI has tried to meet that challenge by providing management courses for attorney supervisors of all levels in the United States Attorneys' offices.

AGAI operates a video tape lending library for United States Attorneys' offices. Select courses offered by AGAI are videotaped and made available on request to United States Attorneys' offices. In addition, commercially produced tapes by recognized legal experts have been purchased by AGAI, and the tapes are sent to United States Attorneys' offices upon request to supplement their in-house training programs.

LEI directs its programs on Federal civil and administrative law and practices to all attorneys in the Executive Branch, including those in the Department. LEI offers training in civil discovery and trial techniques, negotiation techniques, administrative law areas such as bankruptcy, the Freedom of Information Act, ethics, environmental law, Federal employment, regulatory processes, government contracts, legal research and writing for attorneys, management of attorneys, and computer law. These courses are held at both the LEI facility, (which accommodates 60 students) and local hotel facilities (which accommodate 100 to 150 students). Administrative and evidentiary trial skills for agency attorneys are patterned on the "learn-by-doing" method. Course instruction emphasizes the realities of Federal practice. Federal attorneys from every agency, including the

Department of Justice, are participants as well as advisors, curriculum developers, lecturers, and instructors. LEI also contracts with professional educators as instructors.

LEI develops and administers paralegal courses covering basic and advanced skills in both civil and criminal law. These courses are offered to personnel of United States Attorneys' offices, the Department of Justice, and agencies in the Executive Branch. Support staff training for personnel in United States Attorneys' offices is provided through LEI, which develops the curricula, recruits instructors, and assists local offices with administering the courses. LEI also provides administrative support, including hotel negotiations, for conferences held by other segments of the Executive Office for United States Attorneys. In addition, LEI operates a video tape lending library which provides commercially produced lectures on advocacy skills to government agencies upon request.

Continuing Legal Education (CLE) credit is provided through OLE for all OLE courses.

ACCOMPLISHMENTS AND WORKLOAD:

	1992	1993	ESTIMATES 1994	1995
OLE: Number of Student and Instructor Days	57,806	46,032	46,213	49,141
AGAI Attorney Student and Instructor Days	30,032	26,352	26,569	25,969
LEI Attorney Student and Instructor Days	20,539	10,719	9,403	9,731
LEI Paralegal/Support and Instructor Days	7,235	8,961	10,241	13,441
AGAI Attorney Training (Number of Student Days)				
Criminal Trial Advocacy, Total Student Days	2,682	1,547	1,331	1,636
U.S. Attorney Personnel	1,806	923	886	1,239
DOJ Divisions	816	494	359	355
DOJ Other	...	...	...	...
Other Agencies	48	65	43	21
State and Local	12	65	43	21
Specialized Criminal, Total Student Days	6,914	9,901	10,844	10,844
U.S. Attorney Personnel	6,140	8,829	9,670	9,670
DOJ Divisions	273	335	367	367
DOJ Other	...	331	363	363
Other Agencies	394	223	244	244
State and Local	107	183	200	200
Federal Practice (Criminal and Civil), Total Student Day	1,284	1,644	1,644	986
U.S. Attorney Personnel	1,134	1,342	1,342	805
DOJ Divisions	120	164	164	98
DOJ Other	...	...	...	...
Other Agencies	18	138	138	83
State and Local	12	...	...	...
Civil Trial Advocacy, Total Student Days	3,193	1,859	1,230	1,585
U.S.Attorney Personnel	1,127	715	628	1,109
DOJ Divisions	1,985	1,027	544	446
DOJ Other	...	78	38	20
Other Agencies	81	...	...	...
State and Local	...	39	20	10
Specialized Civil, Total Student Days	7,976	3,802	4,515	4,753
U.S. Attorney Personnel	5,081	3,188	3,786	3,986
DOJ Divisions	533	260	309	325
DOJ Other	...	154	183	193
Other Agencies	2,310	148	176	185
State and Local	52	52	61	64
Appellate Advocacy, Total Student Days	968	1,098	732	549
U.S. Attorney Personnel	888	966	644	483
DOJ Divisions	80	120	80	60
DOJ Other	...	...	...	...
Other Agencies	...	...	...	...
State and Local	...	12	8	6

ACCOMPLISHMENTS AND WORKLOAD:

	1992	1993	1994	1995
			ESTIMATES	
AGAI Management, Total Student Days	1,472	1,377	1,683	1,367
U.S. Attorney Personnel	1,468	1,353	1,654	1,353
DOJ Divisions	...	24	29	14
DOJ Other	...	...	...	...
Other Agencies	4	...	...	...
State and Local	...	...	...	...
Subtotal AGAI Student Days	24,489	21,228	21,979	21,720
AGAI Attorney Training (Number of Instructor Days)				
Criminal Trial Advocacy	984	654	496	518
Specialized Criminal	687	1,205	1,320	1,320
Federal Practice (Criminal and Civil)	366	483	483	290
Civil Trial Advocacy	1,476	990	555	548
Specialized Civil	884	674	800	842
Appellate Advocacy	684	774	516	387
AGAI Management	462	344	420	344
Subtotal AGAI Instructor Days	5,543	5,124	4,590	4,249
Total Number of AGAI Courses	83	85	91	89
LEI Training (Number of Student Days)				
Attorney Training, Total Student Days	10,431	7,277	6,170	6,446
U.S. Attorney Personnel	1,166	458	388	405
DOJ Divisions	1,358	767	650	679
DOJ Other	...	321	272	284
Other Agencies	7,899	5,713	4,845	5,062
State and Local	8	18	15	16
Paralegal/Support Staff, Total Student Days	6,629	8,529	9,747	12,793
U.S. Attorney Personnel	4,973	5,107	5,837	7,661
DOJ Divisions	790	808	923	1,211
DOJ Other	...	442	505	663
Other Agencies	866	2,072	2,368	3,108
State and Local	...	100	114	150
Subtotal LEI Student Days	17,060	15,806	15,917	19,239
LEI Training (Number of Instructor Days)				
Attorney Training	1,328	1,376	1,167	1,219
Paralegal/Support Staff	606	432	494	648
Subtotal LEI Instructor Days	1,934	1,808	1,661	1,867
Total Number of LEI Courses	99	93	83	91
Attorney Videotaped Lectures, Total Student Days	8,780	2,066	2,066	2,066
Total Number of Videotaped Lectures	113	93	93	93

EXPLANATION:

The Office of Legal Education (OLE's) workload shows the number of student and instructor days rather than the number of courses. Some of OLE's courses are eleven days in length and other courses are one to three days in length. By showing the number of course days, the volume of training is more accurately reflected. In addition to personnel from the United States Attorneys' offices, the workload includes training provided to employees of the DOJ Divisions, employees of other organizations of the Department of Justice (e.g. DEA, FBI, U.S. Marshals Service), other federal government agencies, and state and local government agencies. Statistics for Fiscal Year (FY) 1992 differ in subcategories from FY 1993 and FY 1994 due to the addition of a new category of personnel (DOJ-other) in FY 1993. The addition of the category, DOJ-other, provides a more accurate count of the personnel trained within DOJ; however, it does not affect or change the accuracy of the totals.

From FY 1992 to FY 1993, the OLE workload decreased overall, due to the hiring freeze implemented and the mandated FTE reduction of 82 in FY 1993. This resulted in AGAI offering five fewer basic trial advocacy courses than in FY 1992. These basic advocacy courses contain 11 days of training. Based on courses conducted in FY 93, the five fewer trial advocacy courses will result in a decrease of approximately 3,285 student/instructor days from OLE's workload. Also contributing to the overall decrease in OLE's workload from FY 92 to FY 93 is a decrease in the total student/instructor days of LEI training. The LEI student/instructor days for attorney training for FY 92 were unusually high compared to FY 93 due to a one-time video course sponsored in FY 92, the Civil Justice Reform Course. This course increased LEI's total attorney student/instructor days in FY 92 by 7000 days. The reduction of basic courses in FY 93 was offset by the increase of student and instructor days for specialized criminal, Federal Practice, Appellate Advocacy, and LEI Paralegal courses.

The specialization and complexity of federal legal practice, along with recent statutory changes in both civil and criminal law, have created a need for OLE to shift their emphasis to specialized training. Passage of the Americans with Disabilities Act, FIRREA, and other statutes which facilitate the collection of monies due the United States, changes in case law affecting Asset Forfeiture and the yearly amendments to the federal sentencing guidelines require that DOJ attorneys receive the most training possible in these areas to ensure that they take the lead in federal court practice. Courts traditionally look to Assistant United States Attorneys and other DOJ attorneys to provide leadership in federal court practice. In order to maintain this standard of excellence, increased training is necessary as case law changes and new laws are passed. OLE is in a unique position to deliver this specialized training and will meet those needs given adequate staff.

The specialized legal training provided by OLE prepares attorneys for the unique areas of federal practice. This training is not available in law schools or in the private sector. It is provided by OLE at a cost substantially less than that of comparable private sector training. The emphasis on CLE is critical to the effective representation of the United States and to the advancement of the Department's criminal and civil initiatives. Specialized courses are also necessary to satisfy mandatory CLE requirements applicable in 37 states.

Advanced courses offered in 1992 and 1993 to meet continuing needs for specialized training included: Triggerlock, environmental crimes, financial institution fraud, health care fraud, violent crimes, narcotics, criminal enforcement of child support, child sex abuse, economic crime, complex prosecutions, evidence for experienced criminal litigators, asset forfeiture, affirmative civil litigation, developments in tort law, civil rights, environmental law, medical malpractice, prisonsr litigation, money laundering, and debt collection.

From FY 1993 to FY 1994, the overall OLE workload is expected to remaim the same. With mandated FTE reductions in FY 1994, the basic criminal and civil trial advocacy courses in AGAI will decrease from nine to four. Other introductory training (appellate advocacy courses and federal practice seminars) will decrease from eleven total courses to five. Student days for the basic trial advocacy courses and the other introductory training will decrease by 27 percent. However, AGAI specialized civil and criminal training will increase due to the continued specialization and more experienced workforce, and the change in administration which will necessitate additional specialized training to meet new priority areas. AGAI specialized training courses will increase to 65 from FY 93's total of 58 courses. In addition, AGAI will add in FY 1994 two new courses, an advanced criminal trial advocacy course and an advanced civil trial advocacy course. The increase in AGAI Management training from FY 93 to 94 will meet the needs of the 606 attorney supervisors on-board in the United States Attorneys' offices.

LEI training decreased from FY 93 to FY 94. Total courses (excluding video) decreased from 93 to 83. This decrease is based on changes in agency needs, resulting primarily from the current federal hiring freeze. Also, during FY 94, LEI will be in the "off year" of four courses that are conducted on an every-other year basis. These courses are: the Americans with Disabilities, Computer Law, Computer Acquisition, and Land Acquisition. Therefore, OLE's decrease in advocacy student/instructor days for basic courses in FY 94 will be offset somewhat by an increase in student/instructor days in specialized training.

From FY 1994 to FY 1995, the overall OLE workload is expected to increase by six percent. The total student and instructor days increase from 46,213 in FY 94 to a 49,141 in FY 95, a difference of 2.928 days. Despite the lack of new hires and the increasingly experienced workforce, the workload will change slightly from FY 94 to FY 95 due to the continued emphasis on specialized training and the change in the administration's priorities.

Civil and criminal specialty training in AGAI will remain virtually unchanged from FY 94, (65 courses in FY 94 versus 66 courses in FY 95). These specialty training courses remain an important part of the AGAI training schedule. As in FY 93, the workforce now employed by the United States Attorneys' offices is carrying an ever-increasing caseload with the same number of attorneys and support staff. By 1995, given the current administration's goals, total FTE is targeted to decrease by 5 percent overall. This means that attorneys and support staff will need to work more efficiently to accomplish the mission of the United States Attorneys' offices. The specialized training offered by AGAI will enable the workforce to accomplish that task. Slated for inclusion in specialty training are such courses as, violent crimes, health care fraud, environmental crimes, evidence for experienced criminal litigators, civil rights, public corruption, complex prosecutions, advanced financial institution fraud, narcotics, land acquisitions and condemnations, affirmative civil litigation, medical malpractice, criminal tax, economic crimes, and debt collection. As in other years, the specialized training is expected to remain constant because of ongoing concerns such as amendments to the federal sentencing guidelines and the need to satisfy mandatory continuing legal education requirements.

LEI's training schedule will increase only slightly from FY 94 (from 83 courses to 91). The primary reason for this increase is that FY 95 will be the year that the rotating courses will be conducted. However, FY 95 will be less than other "on years" because the lack of staff resources prevent supporting the schedule of prior years.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Education	27	26	$7,087	26	25	$6.934	(1)	(1)	($153)

A program decrease of 1 position, 1 workyear and $108,000 is requested to meet workyear levels established by the Administration.

A program decrease of $13,000 is requested to reduce administrative expenses, to assist in controlling the Federal deficit, and improve the government's administrative productivity. The reduction will be accomplished by focusing more on the specialized and continuing legal education of attorneys, and support in the United States Attorneys Offices, the DOJ Divisions, other agencies, and the Washington, D.C. based attorneys and support services by LEI. In addition, the new administration will dictate new initiatives and priorities that will demand new training. Current examples include violent crimes, health care fraud, civil rights, public corruption and financial crimes.

A program decrease of $32,000 to absorb the locality pay will be realized through savings due to the modified hiring freeze implemented in fiscal year 1993 and continued this current budget year. Significant efforts have been made to reduce other operating expenses, i.e., travel, reduced telecommunications costs, and other operating expenses. Whenever possible advanced technology was purchased to avoid expensive leasing or contracting costs. Office renovation and relocation expenses have been reduced and future plans are under review for further costs reductions.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration	184	208	$33,801	184	208	$35,606	183	207	$34,755	(1)	(1)	($851)

LONG-RANGE GOAL: To provide direction and appropriation of resources to the United States Attorneys and to respond promptly and efficiently to the administrative and management needs of the 94 United States Attorneys' offices.

MAJOR OBJECTIVES:

To provide management and policy assistance, direction, and liaison to the Offices of the United States Attorneys in direct support of their litigative responsibilities.

To represent the interests of all United States Attorneys in the development of Department of Justice policy and to support system-wide consistency in the conduct of federal litigation.

To formulate and execute an operating budget to satisfy the operational needs of United States Attorneys' offices.

To formulate and implement personnel management policy.

To provide the administrative support necessary to obtain adequate space and equipment.

To participate in the design and implementation of a Department-wide caseload management system and to make available optimum office technology for the United States Attorneys.

To provide policy direction that will result in optimal efficiency in the collection of debts owed the Government.

To formulate and implement Equal Employment Opportunity plans.

To coordinate the successful implementation of all 94 district Law Enforcement Coordinating Committees (LECC).

To provide technical assistance for implementation of the Victim and Witness Protection Act of 1982 and the Victims Rights and Restitution Act of 1990.

To conduct performance evaluations of each United States Attorney's office approximately every two years. To monitor, promote and facilitate the activities of the United States Attorneys' offices as they address the Attorney General's priority prosecution areas.

BASE PROGRAM DESCRIPTION: The Management and Administration program encompasses all of the Executive Office for United States Attorneys (EOUSA) with the exception of the Office of Legal Education. The EOUSA provides general assistance and supervision to the 94 United States Attorneys' offices, and coordinates with the other organizational units of the Department under the direction of the Deputy Attorney General.

The EOUSA provides United States Attorneys offices with the automated information systems necessary to achieve Department objectives and to ensure efficient use of resources. The Evaluation and Review Staff of the EOUSA conducts office evaluations and assists United States Attorneys in recognizing improvements in the use of professional personnel while ensuring that proper management controls are in place. Through the Office of Legal Counsel, EOUSA provides legal interpretations and advice to United States Attorneys on matters such as legislation, statutes, regulations and Departmental guidelines. Legal Counsel is also responsible for grievance administration, adverse action, labor management relation programs and processing all Freedom of Information Act requests on behalf of the United States Attorneys' offices. Through its Equal Employment Opportunity staff, the EOUSA implements affirmative action programs within the United States Attorneys' offices and manages a discrimination complaint program. The Financial Litigation Staff of the EOUSA provides direction and oversight to United States Attorneys in the conduct of their debt collection activities and has direct responsibility for the policies related to the collection of criminal fines. The EOUSA Law Enforcement Coordinating Committee (LECC)/Victim Witness (VW) Staff, oversees and provides technical assistance to both the "LECC and VW" programs in each United States Attorney's office. The LECC program is a priority of the Department to enhance coordination and cooperation with Federal, State and local law enforcement, thus making the most of scarce resources. The LECC/VW Staff also provides assistance and training for United States Attorneys offices in implementing their statutory responsibilities to assist victims and witnesses of crime. Another important responsibility of the EOUSA is the exercise of personnel management authority within the EOUSA and the United States Attorneys' offices. The Personnel Management Staff's authority includes all phases of personnel operations such as recruiting, classification, performance management, personnel systems and policy development. The acquisition and renovation of space as well as procurement of all equipment, furniture, supplies and material are program functions of the Facilities Management and Support Services. The Financial Management Staff of the EOUSA formulates and executes a budget for all 94 United States Attorneys' offices and itself. The formulation process includes any need for amendments, supplementals, reimbursements and transfers. Finally, through the Priority Program Team, the EOUSA compiles and analyzes data relating to prosecutions in the priority areas of financial institution fraud, violent crime, computer fraud, health care fraud and other initiatives which are of particular interest to the Department, OMB, Congress and the Administration.

ACCOMPLISHMENTS AND WORKLOAD: The Management and Administration workload of the United States Attorneys follows:

Item	1992	1993	Estimates 1994	Estimates 1995
Financial Management Staff				
a. Relocation requests processed	171	171	171	171
b. EBON vouchers processed	1,272	...	...	...
c. Training/presentations/site visits	58	58	58	58
d. Expert witness requests reviewed/obligated	2,000	2,100	2,100	2,100
e. AG briefings/district profile	65	65	65	65
f. Technical assistance/oral communication	65,000	68,000	68,000	68,000
g. Financial transactions records	21,000	21,000	21,000	21,000
Office Automation Staff				
a. Project EAGLE district implementations	28	2	1	...
b. Project EAGLE additional office implementations	...	...	7	7
c. Project EAGLE relocations	9	25	32	25
d. Project EAGLE major system enhancements	...	...	9	9
Case Management Staff				
c. District implementation of TALON	45	5	2	...
d. District implementation of new case management system	...	...	10	84
Personnel Staff				
a. AUSA appointments (conversions)	509	180	60	63
b. Non-attorney appointments	917	267	60	65
c. Position classifications completed*	600	600	600	600
d. Other Personnel actions proposed	85,000	68,046	50,240	50,000
e. Security actions processed (except adjudications)**	5,502	1,869	400	400
f. Personnel management evaluations***	4	3	11	18
Financial Litigation Staff				
a. U.S. Attorneys' cash collections ($000)	405,728	532,390	464,561	313,822
b. Number of returns offset	7,700	7,900	8,200	8,300
c. Dyncorp vouchers processed****	...	1,272	1,272	1,277
Facilities Management and Support Services				
a. Space renovations/relocations and security systems	1,029	885	885	885
b. Requisitions for services and goods processed by EOUSA	912	928	928	928
c. Procurement actions completed by field offices	137,768	119,055	107,595	107,595

* The current DOJ automated personnel and payroll system is not position based. Until October 1993 a close estimate of "actual" position classifications completed won't be available.

** Includes background re-investigation program work (front end, not adjudication).

*** In FY93, we have a total of 42 Servicing Personnel offices to oversee and to evaluate. The goal is to evaluate 50 percent each year. The estimate of 18 appears quite rigorous.

**** In FY93, EBON lost the Asset Forfeiture support services contract to Dyncorp. The contract's voucher processing function was transferred from the FMS to the FLS.

Item	1992	1993	1994	1995
Legal Counsel				
Immediate Office				
a. Matters opened*	1,378	1,551	1,650	1,850
b. Matters closed	1,353	1,450	1,550	1,700
c. Telephone calls	7,335	7,800	8,000	8,000
d. Citizen inquiries**	611	1,200	150	150
e. SAUSA appointments and extension actions completed	2,010	2,684	2,800	2,500
FOIA/PA Unit				
a. Freedom of Information workload	2,794	3,146	4,672	5,484
b. Freedom of Information requests completed	2,160	2,258	1,891	1,891
Labor & Employee Relations				
a. MSPB appeals	11	5	15	22
b. Performance rating grievances	17	32	40	55
c. Other grievances	4	9	12	16
d. Removals	33	21	40	44
e. Probationers terminations	13	...	5	5
f. Reprimands/suspensions	34	34	40	45
Attorney Hiring/Support Security Staff				
a. AUSA appointments	741	110	100	100
b. AUSA and SAUSA backgrounds reviewed	814	200	200	200
c. Non-attorney background investigations reviewed	1,027	275	275	275
LECC/Victim Witness Staff				
a. Briefings on LECC/VW activities/written communication	2,000	2,500	2,500	2,500
b. Technical assistance/oral communication	5,380	7,000	7,000	7,000
c. AG briefings/district profiles	82	100	100	100
Equal Employment Opportunity Staff				
a. Complaints received (informal)	45	50	45	45
b. Complaints terminated (informal)	34	31	20	30
c. Investigations completed	12	8	10	10
d. Technical assistance/oral communication	520	400	450	450
e. Training/USA/AO orientation/on-site visits	14	7	5	10
f. Written communication/documents	350	1,844	800	800
Evaluation and Review Staff				
a. Office evaluation reports	23	20	26	26
b. Allocation requests processed	222	138	75	150
Exception Requests	...	260	325	300
Supervisory pay plan	...	80	110	110
c. Financial institution fraud reports	16	16	20	20
d. Project Triggerlock reports	13	13	13	13
e. Ad hoc/Congressional reports	22	18	20	20
f. Weed and Seed reports	...	13	13	13

* Any project or issue requiring 30 minutes of work or more is considered a "matter".
** Due to the recent change in Administration, this office has received an increased number of citizen inquiries.

EXPLANATION:

The Management and Administration workload is discussed below:

The Financial Management Staff (FMS) provides budget and fiscal assistance and guidance to the 94 Offices of the United States Attorneys and coordinates with other Department components and Federal agencies on behalf of the organization. The FMS consolidates all 94 United States Attorneys' offices' resource needs and formulates a total budget submission for the organization to the Department, OMB and eventually the Congress. With the growth in positions and budget authority, the FMS has assumed new responsibilities to ensure critical tracking of earmarked positions and funding. FMS established separate accounting classification codes, modules, operating procedures and programs to ensure accurate reporting and billing for Asset Forfeiture, HIDTA, Debt Collection, Farmers Home and HUD. In accordance with the Anti-Drug Abuse Act of 1988, the FMS must prepare a separate budget submission for the Organized Crime Drug Enforcement Task Force program as well as a budget submission to the ONDCP in support of the United States Attorneys' drug resources. The FMS has established separate operating plan budgets and procedures for reimbursable billing from the OCDETF appropriation. Thus, FMS prepares one Assets Forfeiture budget submission, three direct and three OCDETF budget submissions, and Expert Witness and HIDTA budget requests. Since 1988, FMS has trained 22 additional districts to receive operating plan authority. Further, the FMS trained all districts to participate in the draft payment system, to enter their own travel obligations in FMIS, to manage their payroll budgets, and to electronically track expenditures against their operating plan or allowance budgets and electronically effect adjustments utilizing an automated budget system. The FMS also maintains a comprehensive procedures manual for the 94 United States Attorneys' offices.

As of September 30, 1993, EAGLE was installed in 93 districts representing 188 locations plus the Executive Office. In 1994, the Office Automation Staff expects to complete the installation of EAGLE in the one remaining district (the Virgin Islands). This installation has been delayed from the original schedule by the inability of this district to find a qualified System Manager. During 1994, the Office Automation Staff will install EAGLE in an additional 7 cities and will coordinate the relocation and/or augmentation of EAGLE systems as a result of 32 moves, major renovation, or expansion projects. Installation of enhanced systems in 9 locations is predicted for 1994 as well. The Office Automation Staff manages the United States Attorneys' wide area network (WAN), which processes 12,000-14,000 mail messages and document transfers per day. Other Office Automation Staff activities include maintenance of the computer hardware inventory for all United States Attorneys, provision of help desk support on a variety of technical issues, maintenance of an equipment loan pool for emergency investigative and case-related requirements, graphics services, programming services, training services, and provision of litigation support consulting and support services. The Office Automation Staff also provides degaussing services, free of charge, to all organizations within the Department of Justice as well as to other agencies when requested. Staff also manage the depot for portable PC repair services for all EAGLE organizations in the Department. Recently, the Office Automation Staff has taken over responsibility for maintaining and managing an EAGLE training facility for the entire Department of Justice. The Office Automation Staff also provides Westlaw services for the Department of Justice user community.

The Case Management Staff will be implementing a new case management system in the United States Attorneys' offices and will be working with the courts and Justice Management Division to convert the districts to the new collections systems (National Fine Center and Nationwide Central Intake Facility). Implementation of these systems can not be delayed beyond 1995 because of the equipment life of the Prime computers in our 42 largest districts.

Reinvention of government presents exciting program challenges in the personnel field. We anticipate greater latitude being granted to agencies to create more effective staffing, classification, and performance systems in cooperation with organized labor. Even without legislative changes, the climate is set to "reinvent" dysfunctional systems within existing legal parameters. All this will require a direction of resources to policy and program revisions. Also, the Federal Employees Pay Comparability Act (locality pay), with its promise to mitigate the pay disparity between the private and public sectors, is anticipated to create a situation where our employees will plan to stay until retirement, which will create a demand for increased benefits and retirement planning counseling. We have seen this trend in our turnover statistics. FERS itself, with the TSP component being such a critical factor to future retirees' welfare, must be better explained to workers coming on board in the '90s where a significant number of "old system/CSRS" employees are still in the workforce and where the annuity funding is much different than for the FERS. Greater efforts must be made to educate workers to the importance of their participation in TSP. Finally, changes to the federal performance management system are anticipated. We therefore foresee legislation being submitted, and, as a consequence, 1994 will see agencies redesigning performance management systems to simplify the current cumbersome process.

The Financial Litigation Staff (FLS) is responsible for providing technical, legal, and administrative support and debt collection training to the Financial Litigation Units within the 94 United States Attorneys' offices. The cash collections (processed through the lockbox) include collections through United States Attorneys' offices, collections through the IRS Tax Return Offset Program, Bureau of Prisons' Inmate Financial Responsibility Program, and collection through the Private Counsel Pilot Program in which nine districts are participating this fiscal year. Other recoveries resulting from the United States Attorney's collection enforcement efforts are not included with this submission. For example, the United States Attorneys remain responsible for enforcing criminal fines and assessments imposed by the courts but the clerks of court are responsible for receipting and depositing these funds.

The Office of Legal Counsel (LC) provides advice to United States Attorneys and their offices and to EOUSA on a broad array of legal issues. It acts as liaison between DOJ components and the United States Attorneys' offices. LC provides guidance to all United States Attorney and EOUSA personnel regarding ethics issues, e.g., conflicts of interest, recusals, and financial disclosure reports. This office also provides training to United States Attorneys' offices on the new Ethics Reform Act. Responsibilities further include participation on all employee grievance panels, providing advice and recommendations on disciplinary or adverse actions, and any other employment related casework, and negotiating with labor bargaining units. LC makes suitability recommendations after an exhaustive review of background investigations of attorney and support candidates in the United States Attorneys' offices. It reviews all EEO complaints for settlement or other disposition and processes all FOIA/Privacy Act requests directed to United States Attorneys' offices and EOUSA.

The Equal Employment Opportunity Staff (EEO) provides a level of service to United States Attorneys' offices and EOUSA to ensure that DOJ and EOUSA EEO policies and objectives are achieved. EEO provides guidance to ensure that affirmative employment plans are implemented; to see that supervisors, managers and employees are aware of their rights and responsibilities to the EEO program; and to process complaints in a timely manner.

The LECC/Victim-Witness Staff within the EOUSA provides the primary support for district LECC/victim-witness activity. The staff maintains liaison with the United States Attorneys and district LECC/VW Coordinators, monitors and assists in evaluating LECC activity, publishes the monthly LECC/VW Network News and the bi-monthly Drug Demand Reduction Network, and works with numerous national criminal justice organizations on LECC and victim-witness matters. For each district, a wide range of services is conducted: evaluations and follow-up reports for the Evaluation and Review Staff, and "special projects" from the Attorney General's and Deputy Attorney General's offices. The Staff also works closely with the Department's Bureau of Justice Assistance and the Office for Victims of Crime. The LECC/VW Staff will continue its efforts to help achieve compliance in the United States Attorneys' offices with the Victim and Witness Protection Act and the Crime Control Act of 1990.

The Evaluation and Review Staff (EARS) completed peer evaluations in 21 United States Attorneys' offices during 1993. The peer evaluation process provides an objective view of each district's operations and recommendations as to how those operations can be carried on more efficiently and effectively. To achieve the goal of evaluating each office approximately every three to four years, evaluations are planned for 26 districts during 1994. In 1995, an additional 26 offices must be evaluated to maintain our schedule of reviews.

The evaluation and review report procedure implemented in 1992 is still providing more timely and succinct information to the United States Attorneys and upper level Department management, as well as encouraging timely responses to the evaluation reports from the United States Attorneys themselves. The ORACLE-based allocation system is nearing completion and work continues on refining, updating and incorporating the GAO allocation model into our allocation process.

The Priority Programs Team (PPT), responsible for promoting, facilitating and tracking types of crime designated by the Attorney General as national priorities, is consolidated with the EARS staff. This consolidation allows both programs to benefit from the work product and experience of the respective staffs. PPT is made up of Program Managers as well as computer literate support staff. The managers respond to congressional and departmental inquiries as to the status, resources and effectiveness of the various priority programs. They track cases and compile statistics related to the programs with assistance from the Case Management Staff.

Special emphasis continues to be placed on the priority area of financial institution fraud. PPT compiles monthly statistical reports on major financial institution fraud prosecutions which reflect the successes of the United States Attorneys' offices aggressive prosecution of financial institution fraud and the recovery of assets traceable to such fraud. Other priority programs addressed by the PPT in 1993 include health care fraud, insurance fraud and corruption, computer fraud, Project Triggerlock and Weed and Seed, the Department's community-based, comprehensive, multi-agency approach to combatting violent crime.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration	184	208	$35,606	183	207	$34,755	(1)	(1)	($851)

A decrease of one position, one workyear and $524,000 is required to meet workyear levels established by the Administration. This reduction will impact on the general assistance and supervision provided by the EOUSA to the 94 United States Attorneys' offices but we will increase productivity whenever possible.

In addition, a program decrease of $103,000 is required to reduce administrative expenses to assist in controlling the Federal deficit, and improving the Federal government's administrative productivity. The reduction will be accomplished through savings in automated litigation support service, reduction of training courses and conferences, elimination of paid employee relocation, curtailment of office moves and renovations, minimizing printing costs, absorption of inflationary price increases, limiting equipment purchases, and reducing other administrative expenses.

A program decrease of $224,000 to absorb the locality pay will be realized through savings due to the modified hiring freeze implemented in fiscal year 1993 and continued this current budget year. Significant efforts have been made to reduce other operating expenses, i.e., travel, reduced telecommunications costs, and other operating expenses. Whenever possible advanced technology was purchased to avoid expensive leasing or contracting costs. Office renovation and relocation expenses have been reduced and future plans are under review for further costs reductions.

United States Attorneys
Salaries and Expenses
Justification of Multi - Activity Program Changes
(Dollars in thousands)

	1995 EEI Reductions			1995 Administrative Savings			1995 Locality Pay Reduction			1995 Program Increases			Total		
	Perm			Perm			Perm			Perm			Perm		
Estimates by Program	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Criminal Litigation	(89)	(89)	($9,066)			($3,016)			($2,645)				(89)	(89)	($14,727)
Civil Litigation	(32)	(32)	(2,848)			(982)			(1,502)			$6,954	(32)	(32)	1,622
Management & Administration	(1)	(1)	(524)			(103)			(224)				(1)	(1)	(851)
Legal Education	(1)	(1)	(108)			(13)			(32)				(1)	(1)	(153)
Total	(123)	(123)	(12,546)			(4,114)			(4,403)	0	0	6,954	(123)	(123)	(14,109)

Narrative Description

The reduction of 123 positions, 123 workyears and $12,546,000 will impact on the Offices of the United States Attorneys. The United States Attorneys will continue to prosecute priority programs as established by the Attorney General and increase productivity whenever possible. Since many of our client agencies have received similar reductions in positions and workyears, we anticipate some reductions in the number of referrals. However, it is too soon to measure the impact on the overall Criminal Justice system.

The workyear reductions will be achieved by attrition and early out retirements. The United States Attorneys will also implement savings in automated litigation support services, reduce training courses and conferences, paid employee relocations, curtail office moves and renovations, minimize printing costs, absorb inflationary price increases, limit equipment purchases, and reduce other administrative expenses.

For FY 1994 $13,208,000 in locality pay costs for three - quarters of the year will be absorbed by savings due to the modified hiring freeze implemented in fiscal year 1993 and continued this current budget year. Significant efforts have been made to reduce other operating expenses, i.e. travel, reduced telecommunications costs, and other operating expenses. Whenever possible advanced technology was purchased to avoid expensive leasing or contracting costs. Office renovation and relocation expenses have been reduced and future plans are under review for further cost reductions. For FY 1995, full year costs totalling $17,611,000 must be absorbed and the impact of absorbing the 1995 increment of $4,403,000 will be accomplished by continuing the hiring freeze and other cost saving measures initiated in FY 1994.

The program increase consists of a request of $6,954,000 for supervision of the 1996 International Union Officers Elections for the International Brotherhood of Teamsters.

United States Attorneys
Salaries and Expenses
Financial Analysis – Program Changes
(Dollars in thousands)

Item	Criminal Litigation		Civil Litigation				Legal Education		Management & Admin		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS-11	(11)	(370)	...	...	(4)	(135)	...	...	...	...	(15)	(505)
GS-7	(33)	(750)	...	...	(11)	(250)	(1)	(23)	(1)	(23)	(46)	(1,046)
Ungraded	(45)	(3,428)	...	...	(17)	(1,290)	...	...	...	...	(62)	(4,718)
Locality Pay	...	(2,151)	...	...	...	(1,221)	...	(26)	...	(182)	...	(3,580)
Total positions and annual rate	(89)	(6,699)	...	...	(32)	(2,896)	(1)	(49)	(1)	(205)	(123)	(9,849)
Lapse (–)	...	...	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel Compensation	(89)	(6,699)	...	...	(32)	(2,896)	(1)	(49)	(1)	(205)	(123)	(9,849)
Personnel benefits		(1,508)		...		(655)		(11)		(47)		(2,221)
Travel and transportation of persons		(231)		...		(66)		(54)		(17)		(368)
Transportation of things		(61)		...		(17)		(1)		(5)		(84)
GSA rent		(2,752)		...		(785)		(11)		(134)		(3,682)
Rental payments to others		(150)		...		(43)		(3)		(3)		(199)
Comm., utilities, and misc charges		(759)		...		(213)		(3)		(63)		(1,038)
Printing		(92)		...		(26)		(6)		(12)		(136)
Other services		(1,914)		6,954		(487)		(10)		(298)		4,245
Supplies and materials		(408)		...		(114)		(3)		(12)		(537)
Equipment		(153)		...		(30)		(2)		(55)		(240)
Total program workyears and obligations changes requested, 1995	(89)	(14,727)	0	6,954	(32)	(5,332)	(1)	(153)	(1)	(851)	(123)	(14,109)

United States Attorneys

Salaries and Expensed

Priority Ranking

Base program

Program	Ranking
Criminal Litigation.....	1
Civil Litigation.....	2
Management and Administration.....	3
Legal Education.....	4

United States Attorney
Salaries and Expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Enacted	1995 Base	1995 Program Changes	1995 Total
Attorneys (905)	3,960	3,898	3,898	(62)	3,836
Paralegal Specialist (950)	733	733	733	(15)	718
Legal Clerk and Technicians(986)	2,109	2,109	2,109	...	2,109
Criminal Investigative Series (1811)	13	13	13	...	13
General Investigative Series (1810)	2	2	2	...	2
Other Miscellaneous Occupations (080)	11	11	11	...	11
Social Sciences, Economics and kindred (100 – 199)	6	6	6	...	6
Personnel Management (200 – 299)	59	59	59	...	59
General Administrative and Clerical (300 – 399)	1,296	1,235	1,235	(46)	1,189
Accounting and Budget (500 – 599)	135	135	135	...	135
Information and Arts Group (1000 – 1099)	11	11	11	...	11
Business and Industry Group (1100 – 1199)	6	6	6	...	6
Library and Archives Group (1400 – 1499)	13	13	13	...	13
Supply Group (2000 – 2099)	7	7	7	...	7
Transportation (2100 – 2199)	1	1	1	...	1
Total	8,362	8,239	8,239	(123)	8,116
Washington	189	187	187	...	187
U.S. Field 1/	8,173	8,052	8,052	(123)	7,929
Foreign Field	...	...	...	...	...
Total	8,362	8,239	8,239	(123)	8,116

1/ Includes positions for field offices in the Washington, D.C. Standard Metropolitan Statistical Area in each year.

95OCPPOS

United States Attorneys
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm Pos.	Work-years	AMOUNT
1994 as enacted	8,239	7,996	$813,797
Transfer from HIDTA	...	...	4,643
Adjustment in Workyear Ceiling	...	316	...
1994 Appropriation Anticipated	8,239	8,312	818,440
Transfers from other accounts			
Mail Management Transfer		...	17
Mandatory increases:			
1995 pay raise	...	...	2,593
1995 locality pay	...	...	4,403
Within-grade increases	...	...	2,063
Accident Compensation	...	...	14
Unemployment Compensation – Redistribution	...	...	52
General Services Administration (GSA) Rent	...	...	14,498
PACER	...	...	1,160
Project EAGLE Maintenance	...	...	900
Employee Data and Payroll Services	...	...	81
Lease Expiration Costs	...	...	1,930
FTS 2000	...	...	1,477
General pricing level adjustments	...	...	3,658
Total, mandatory increases	...	...	32,829
Decreases:			
One Less Compensable Day	...	...	(2,214)
HIDTA Transfer			(4,643)
Total, decreases	...	...	(6,857)
1995 Base	8,239	8,312	844,429
Program changes:			
Administration's FTE Reductions	(123)	(123)	(12,546)
Administrative Reductions	...	...	(4,114)
Locality Pay Reduction	...	...	(4,403)
IBT Election	...	...	6,954
Total, program changes	(123)	(123)	(14,109)
1995 Request	8,116	8,189	830,320

United States Attorneys
Salaries and Expenses
Justification of Adjustments to Base
(Dollars in Thousands)

	Amount
Transfers from other accounts:	
1. Mail Management Transfer..... The Department received the Office of Management and Budget's approval to convert the Justice Management Division (JMD) mail operation to a Working Capital Fund (WCF) activity. As a result, the funds are being transferred from JMD-Appropriated to the Offices Boards and Divisions and Bureaus based on current contract usage. The funding will provide each component with the resources to reimburse the mail operation once it becomes a WCF operating activity in FY 1995. The mail operation will provide direct administrative support for services such as mail referral, bulk, mail delivery, and mail and messenger services.	$17
Total transfers.....	17
Mandatory Increases:	
1. 1995 Pay Raise..... This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $2,593,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($2,108,000 pay and $485,000 benefits = $2,593,000).	2,593
2. 1995 Locality Pay..... The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For FY 1994, $13,208,000 in locality pay costs for three-quarters of the year will be absorbed as discussed in the Crosswalk and the Justification of Multi-Activity Changes exhibit. For FY 1995, full year costs totalling $4,403,000 must be absorbed and the impacts of absorbing the 1995 increment of $4,403,000 are reflected as program decreases as shown on the Justification of Multi-Activity Program Changes exhibit.	4,403
3. Within-grade Increases..... This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $1,575,000 for pay and $488,000 for benefits.	2,063
4. Accident Compensation..... This increase reflects the billing provided by the Department of Labor for the actual costs in 1993 of employees' accident compensation. The 1995 amount will be $14,000.	14
5. Unemployment Compensation..... This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $52,000 is required to meet our commitment to DOL.	52
6. General Services Administration (GSA) Rent..... GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $14,498,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of the automated system which uses the latest inventory data and GSA-provided rates.	14,498

		Amount
7.	Public Access to Court Electronic Records (PACER) Charges The Judicial Conference of the United States has repealed the exemption for federal agencies from the fee imposed for public access to court electronic records. The requested increase of $1,160,000 is required to meet anticipated additional costs associated with continued access to court records.	$1,160
8.	Project EAGLE Maintenance Initial installation of workstations and other equipment in 1993 was done on a 36-month lease-to-ownership-plan. Maintenance of installed equipment and annualized contract administration and overhead costs as required by the EAGLE contract are needed for 1995. An increase of $900,000 is required for 1995.	900
9.	Employee Data and Payroll Services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. A 10-percent increase is needed to stay current with inflation, the increased use of the National Finance Center (NFC), and the continuing level of systems support by the Finance Staff. This request supports the completion of component conversion to the Personnel/Payroll System operated by NFC, as well as the continuing receipt of system services from NFC. An increase of $81,000 will be required in 1995.	81
10.	Lease Expiration Costs The Department has a large number of leases known to be expiring in 1995. In many cases the existing leases may be renewed but it is impossible to determine now how many and which ones will fall into this category. This increase includes costs for renovations necessary to occupy new space (costs for communications, wiring for automated systems, additional electrical outlets, etc.) and excludes any increase in rent costs. GSA estimates that, historically, 50 percent of all expiring leases are renewed. Therefore, the requested increase of $1,930,000 includes 50 percent of the estimated relocation costs for known lease expirations.	1,930
11.	FTS 2000 During the development of the 1994 budget, the Office of Management and Budget decreased the funding for FTS 2000 based on the General Service Administration (GSA) projected rate decreases that were to amount to anywhere between 10 and 35-percent. GSA current projections, based on our fiscal year 1993 actual charges show that these rate decreases did not occur. Therefore, an increase of $1,477,000 is required to meet the Department's commitment to GSA.	1,477
12.	General Pricing Level Adjustments This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	3,658
	Total mandatory increases	32,829

Decreases:	Amount
1. One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $1,687,000 for pay and $527,000 for benefits.	$(2,214)
2. Non-Recurring Transfer of NIDTA funds.....	(4,643)
Total decreases.....	(6,857)
Total adjustments to base.....	25,989

United States Attorneys
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Estimate Positions & Workyears	1994 Estimate Amount	1995 Request Positions & Workyears	1995 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES - 6, $115,700	1		1		1			
ES - 4, $107,300	3		3		3			
ES - 3, $101,800	1		1		1			
ES - 2, 597,400	1		1		1			
GS/GM - 15, $66,609 - 86,589	33		32		32			
GS/GM - 14, $56,627 - 73,619	64		62		62			
GS/GM - 13, $47,920 - 62,293	188		183		183			
GS - 12, $40,298 - 52,385	212		207		207			
GS - 11, $33,621 - 43,712	457		446		431		(15)	
GS - 10, $30,603 - 39,783	55		54		54		...	
GS - 9, $27,789 - 36,123	433		422		422		..	
GS - 8, $25,159 - 32,710	504		492		492		..	
GS - 7, $22,717 - 29,530	1,420		1,327		1,281		(46)	
GS - 6, $20,443 - 26,592	597		583		583		...	
GS - 5, $18,340 - 23,839	358		349		349		..	
GS - 4, $16,393 - 21,307	159		155		155		...	
GS - 3, $14,603 - 18,986	23		22		22		...	
GS - 2, $13,382 - 16,843	1		1		1		...	
Ungraded positions	3,960		3,898		3,836		(62)	
Locality Pay		..	..	12,680		12,680		
1995 pay increase		...	...		...	$2,811	...	
Total, appropriated positions	8,470	$457,578	8,239	$474,749	8,116	458,712	(123)	(16,037)
Pay above stated annual rates		1,784		1,695		...	...	(1,695)
Lapses	(764)	(47,009)	(857)	(47,603)	(857)	(43,383)	...	4,220
Savings due to lower pay scales for part of year		(3,539)	...	(3,170)	...	(703)	..	2,467
Net full-time permanent	7,706	408,814	7,382	425,671	7,259	414,626	(123)	(11,045)
Other than permanent								
Part-time permanent	151	8,050	279	11,250	279	11,250	..	
Temporary employment	335	17,870	623	25,125	623	25,125	...	
Other part-time and intermittent employment	16	872	28	1,126	28	1,126	...	
Other personnel compensation:								
Overtime	76	2,839	76	3,736	76	3,733	.	
Administratively uncontrollable overtime	3	193	3	199	3	202	...	
Other compensation		...			..	...	...	..
Special personal services payments		4,789	..	3,471		2,988	...	(483)
Total, workyears and personnel compensation	8,287	443,427	8,391	470,578	8,268	459,050	(123)	(11,528)
Average ES Salary		($106,133)		($106,133)		($108,256)		
Average GS/GM Salary		(32,614)		(32,614)		(33,226)		
Average salary of ungraded		(79,464)		(79,464)		(80,050)		
Average GS/GM Grade		8.2		8.2		8.3		

United States Attorneys
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Estimate Workyears	1994 Estimate Amount	1995 Request Workyears	1995 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	7,706	$408,814	7,382	$425,671	7,259	$414,626	(123)	($11,045)
11.3 Other than full-time permanent	502	26,792	930	37,501	930	37,501	...	...
11.5 Other personnel compensation	79	3,032	79	3,935	79	3,935	...	...
11.8 Special personal services payments	...	4,789	...	3,471	...	2,988	...	(483)
Total	8,287	443,427	8,391	470,578	8,268	459,050	(123)	(11,528)
12 Personnel benefits		99,290		106,568		104,176		(2,392)
13 Benefits to former personnel		381						...
21 Travel and transportation of persons		14,022		11,060		10,957		(103)
22 Transportation of things		1,573		2,454		2,434		(20)
23.1 GSA rent		86,404		96,346		107,162		10,816
23.2 Rental payments to others		1,536		4,034		5,870		1,836
23.3 Communications, utilities and miscellaneous charges		24,016		28,975		30,049		1,074
24 Printing and reproduction		3,212		4,006		3,961		(45)
25 Other services		89,777		92,502		84,310		(8,192)
26 Supplies and materials		12,824		15,868		15,639		(229)
31 Equipment		18,816		13,617		6,712		(6,905)
32 Land and structures		227		...		...		...
42 Insurance claims and indemnities		107		...		...		...
Total obligations	8,287	795,612	8,391	846,008	8,268	830,320	(123)	(15,688)
Unobligated balance, start-of-year		(26,218)		(27,568)		...		
Unobligated balance, end-of-year		27,568		...		...		
Unobligated balance expiring		...		...		...		
Total requirements		796,962		818,440		830,320		
Relation of obligations to outlays:								
Obligated balance, start-of-year		53,137		120,392		143,155		
Obligated balance, end-of-year		(120,392)		(143,155)		(158,598)		
Outlays		728,357		823,245		814,877		

INTRODUCTION OF WITNESSES

Mr. MOLLOHAN. Testifying on behalf of the U.S. Attorneys is Anthony C. Moscato, Director of the Executive Office for U.S. Attorneys, and accompanying him is Emily M. Sweeney, the United States Attorney for the Northern District of Ohio.

Mr. Moscato, as you know, we will insert your written statement into the record and we would appreciate it if you would proceed with your oral statement.

Before you do that, we would like to welcome the other witnesses at the table with your introduction.

Mr. MOSCATO. If I might, Mr. Chairman, as you noted, appearing to my immediate right is Emily Sweeney, U.S. Attorney for the Northern District of Ohio. Emily has spent approximately a decade as a career Assistant U.S. Attorney in that office before being nominated and confirmed to the U.S. Attorney's position.

She is also Chairman of the Office Management and Budget Subcommittee of the Attorney General's Advisory Committee, and in that regard plays a significant role in the generation of our budget request.

To her right is Wayne Rich. Mr. Rich has spent the bulk of his career as an Assistant U.S. Attorney in the Southern District of West Virginia. He spent a year rising to the position of first assistant and ultimately spending a year as the interim United States Attorney there before coming to Washington. He spent the last five years as Principal Deputy in the Executive Office for U.S. Attorneys, giving us the benefit of that experience, and is shortly about to head back, as he puts it, into the real world where he will take the position of First Assistant in the Eastern District of North Carolina. Janice McKensie-Cole, who is the United States Attorney there, is looking forward to his arrival there shortly.

Mr. MOLLOHAN. Welcome. We appreciate your appearance here today.

Mr. MOSCATO. I have a very brief statement that I would like to make, Mr. Chairman. I am pleased to have the opportunity to appear before you in support of the 1995 budget request of the Department, as you noted, of the Executive Office and the U.S. Attorneys.

As you know, we are requesting a total of $830,320,000 and 8,116 positions. These resources will enable us to continue our prosecutorial efforts against violent crime and white collar economic crime, public corruption, to continue to enhance our debt collection activity and to improve our case management activities as well.

In addition, the United States Attorneys expect to be reimbursed $75,287,000 from the consolidated Organized Crime Drug Enforcement Task Force budget. That reimbursement will permit us to employ 912 total staff, including 497 Assistant U.S. Attorneys.

Mr. Chairman, the role of the U.S. Attorneys is as the principal litigator for the Department of Justice. In excess of 95 percent of all criminal prosecutions are brought in the U.S. Attorneys' offices. In excess of 80 percent of all civil litigation on behalf of and in defense of the United States is brought and litigated in the United States Attorneys' offices.

We function as an integral part of the Department working not only with the investigative agencies such as the FBI and DEA, and those agencies outside the Department, Alcohol, Tobacco and Firearms, Customs and others, but also with the litigating divisions of the Department of Justice and with the Department's leadership.

Our principal priorities as enunciated by the Attorney General include a major emphasis in the area of violent crime. Each United States Attorney has been tasked to pull together a task force on violent crime and to work with State and local and other Federal agencies to develop a comprehensive plan to combat violent crime in each district.

Another of our major priorities is financial institution fraud and health care fraud, and as you are aware, we have a recommendation or a request in for some slight degree of flexibility in terms of allocating resources between those programs.

I could go on through a number of the other priorities, but I think they are embodied in the written statement and in order to save time for questions, I think I can just pause for the moment and take any questions you may have.

[The prepared statement of Mr. Moscato follows:]

DEPARTMENT OF JUSTICE
UNITED STATES ATTORNEYS

STATEMENT OF ANTHONY C. MOSCATO
DIRECTOR, EXECUTIVE OFFICE FOR THE UNITED STATES ATTORNEYS
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE
JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you in support of the 1995 budget request for the United States Attorneys.

The United States Attorneys, are the principal litigators on behalf of the United States Government. The Department is requesting a total of $830,320,000, 8,116 positions (including 3,836 attorneys) and 8,189 workyears for 1995. These resources will enable us to: (1) continue criminal litigation efforts against violent crime, white collar crime, economic crime, and public corruption; (2) continue to pursue debt collection; and, (3) improve the Case Management System.

In addition, the United States Attorneys expect to be reimbursed $75,287,000 from the consolidated Organized Crime Drug Enforcement Task Force budget request for 912 positions (including 497 Assistant United States Attorneys) and 895 workyears associated with supporting Organized Crime Drug Enforcement Task Force activities.

The request is a reduction of 123 positions (62 Assistant United States Attorneys), 123 appropriated workyears, and $14,109,000 from the 1995 base. The reductions, which meet the targeted workyear and resource levels requested by the

Administration, can be achieved through prudent management of litigation support activities, reducing training and conferences, controlling other administrative costs and attrition. Our efforts in priority program areas will not be diminished, nor will the quality of casework be adversely affected. Inflationary price increases will be absorbed through careful oversight of spending in non-program activities.

ROLE OF THE UNITED STATES ATTORNEYS

The work of the United States Attorneys is the heart of the nation's legal system. Within each of the 94 Federal districts in the 50 States, the District of Columbia, Guam, the Northern Mariana Islands, Puerto Rico and the Virgin Islands, the United States Attorney is the chief local law enforcement representative of the Attorney General, enforcing Federal criminal law and handling most of the civil litigation in which the United States is involved. It is our mission to prosecute those who violate our nation's criminal laws, to protect the public from those who use illegal means to further their private interests at the expense of the general welfare, and to assert affirmatively, through the courts, those national policies established by Congress, the Administration and the Attorney General.

We function as an integral part of the Federal justice system. We act in concert with the investigative agencies, the courts and the rest of the executive branch of government. Therefore, the resource needs of the United States Attorneys are to a great extent dependent on the resources provided to the

investigative agencies and the Courts.

While we are not requesting additional resources, our efforts will continue to be directed to identified priority areas.

CRIMINAL LITIGATION

A program decrease of 89 positions (45 Assistant United States Attorneys), 89 workyears, and $14,727,000 is required to meet the workyear levels established by the Administration and to reduce administrative expenses to assist in controlling the Federal deficit. This reduction will impact the general crimes programs of the United States Attorneys offices. Priority programs will continue to be prosecuted.

VIOLENT CRIMES

Within the frame work of the Violent Crime Initiative Plan being developed by the Department, each United States Attorney is developing a district specific violent crime initiative. While the initiatives will vary from district to district all will include some uniform components, including close coordination with state and local investigators and prosecutors and utilizing Federal and state funds.

Operation Weed and Seed is an ambitious project, in keeping with the Administration's goal of creating a comprehensive approach to attack crime and its causes. This comprehensive approach to neighborhood revitalization combines strong law enforcement, social service delivery, job training and redevelopment efforts in communities throughout the nation. The

program is based on two theories: revitalization of high-crime areas cannot occur unless and until the residents of those areas, working with law enforcement, take back their streets from the criminals; then, only when all service providers collaborate with residents, government and the private sector on a comprehensive approach to local needs can true revitalization take place.

There are currently 21 funded Weed and Seed sites. There are an additional 10 sites which are officially recognized, but are currently unfunded. There are 39 sites which have applied for official recognition. Of these 49 new sites, 10 will be funded. Thus, there will be a total of 31 funded Weed and Seed sites in the near future.

ECONOMIC CRIME

White collar crime continues to be a priority. In particular, Health Care fraud is a high priority. We hope to establish a Health Care Fraud Task Force in each district, composed of Assistant United States Attorneys, Federal Bureau of Investigation Special Agents, Heath and Human Services Inspector General personnel, and investigators from the state's Medicaid Fraud Control Unit.

Financial institution fraud, computer fraud, telemarketing fraud, defense procurement fraud, insurance fraud, bankruptcy fraud and pension fraud are also areas which will receive attention.

CIVIL RIGHTS

This priority of the Administration will have the United

civil workload. Resources available for affirmative litigation will emphasize priority areas established by the Attorney General.

The Administration is requesting an increase of $6,954,000 in no year funds to allow an independent Election Officer to supervise the 1996 election of officers of the International Brotherhood of Teamsters (IBT). The 1989 Consent Decree in United States V. IBT provides for supervision of the 1996 election at government expense. Our supervision of the election supports the extensive work and effort that the Department has made to free the IBT from mob control, and will, in all likelihood, be the last opportunity to nurture democratic participation of the membership in union governance.

DEBT COLLECTION

Our ability to collect debts owed to the government will be increased by the authority we have received to retain up to three percent of funds collected through civil debt collection litigation activities. These funds are to be used to pay the costs of processing and tracking such litigation. As the Attorney General has noted, we are working on a proposal that we hope to send to Congress in the near future that would permit our client agencies with mortgage loans and guarantee portfolios to use non-judicial foreclosure procedures on secured property. Non-judicial foreclosure is currently available in over one-half of the States.

States Attorneys expanding their enforcement role on behalf of all citizens, as well as assuming new duties to enforce private actions under the Fair Housing Act. The United States Attorneys routinely work with the Civil Rights Division on both criminal and civil matters. However, we anticipate that the United States Attorneys' offices will become more active in these cases. Better Federal/state coordination in Civil Rights prosecutions is also a goal.

NATIVE AMERICAN MATTERS

The United States Attorneys' offices will be committing even more effort to the enforcement of child abuse laws on Indian reservations and to finding a solution for the many complicated Federal/state/tribal jurisdictional problems that exist in many different forms around the country.

Native American tribes and bands are seeking greater authority to operate casino gambling under the Indian Gambling Authorization Act. This is a multi-million dollar business, readily susceptible of penetration by organized crime and others who take advantage both of the intended beneficiaries, Native Americans, and the gamblers themselves. Virtually all prosecutions will occur under Federal law.

CIVIL LITIGATION

A program decrease of 32 positions (17 Assistant United States Attorneys), 32 workyears, and $5,332,000 is required to meet the workyear and resource levels in this program. Defensive litigation accounts for approximately 70 percent of the

DEPARTMENT'S CASE MANAGEMENT INITIATIVE

The United States Attorneys are participating in a number of initiatives to upgrade the quality of data used in their case management. Within the next several years, the existing systems will be replaced by new systems. We are working with the Justice Management Division to implement the new Nationwide Central Intake Facility, which will be used to track all civil collections litigation and post-judgment enforcement. We are working with the Administrative Office for the United States Courts on the development of a new Fine Collection System, which will track all criminal collections, including restitution to third parties. Finally, we are developing a new caseload management system for use in all of the United States Attorneys' offices. Current plans call for its implementation in Fiscal Years 1995 and 1996.

One of the Attorney General's priorities is the establishment of a Departmental Case Management System. Work on such a system was initiated in late 1990. All of the Department's litigating components agreed to a set of standards for defining and counting cases. A key component of that system is the ability to uniquely identify each case. This component of the system was implemented on October 1, 1993.

This concludes my statement in support of the United States Attorneys 1995 budget request. I would be pleased to respond to any questions that you or the other subcommittee members may wish to ask.

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE

Mr. MOLLOHAN. Thank you. We understand that the Attorney General is considering abolishing the Organized Crime Drug Enforcement (OCDE) Task Forces and shifting those funds to participating components within the forces. Are you aware of that proposal?

Mr. MOSCATO. Not in any formal sense. There is a sense that the program is being looked at, though I don't know in any direct sense what elements or portions of it are. As you are aware, in any new Administration it is not unusual for programs to be reviewed and analyzed.

Mr. MOLLOHAN. Have you been consulted about any such proposal?

Mr. MOSCATO. Again, not in any formal sense no.

Mr. MOLLOHAN. You have been a lawyer for the Justice Department for a number of years, have you not?

Mr. MOSCATO. Longer than I like to admit sometimes.

TASK FORCE COOPERATION

Mr. MOLLOHAN. Well, can you give us your sense of the level of cooperation and effectiveness that the task forces have achieved and your feeling about such a proposal?

Mr. MOSCATO. I would be happy to. My sense from my own experience, but even more importantly, from listening to the United States Attorneys talk about their experiences with the OCDETF program, is that the program itself has had a significant effect in terms of bringing law enforcement agencies together, both at the Federal level and between and among Federal, State and local levels. And I think, though certainly not every U.S. Attorney, many U.S. Attorneys would argue that that is a very important element of the program that they would not like to see lost.

The capacity to work cases in concert under a mechanism that drives working relationships is, I think, in their view critical, so that I think we have seen that as a positive benefit and I think we have seen an enhancement in those relationships over the decade of the program.

Mr. MOLLOHAN. There was a time when you didn't have the kind of cooperation you are describing; isn't that true?

Mr. MOSCATO. I think that is right.

Mr. MOLLOHAN. Do you think that the task forces have been the key element in affecting that cooperation?

Mr. MOSCATO. I can't say that they have been the key. I can certainly say that they have been an important factor. There were many other things ongoing over the last 10 or 15 years that also affected those relationships. The Law Enforcement Coordinating Committees, established in each district, have worked very hard in the same vein to bring State, local and Federal agencies together on law enforcement problems. So it is not certainly the only one; hard to define it as whether it is the principal, but certainly an important one, in our view.

TASK FORCE EFFECTIVENESS

Mr. MOLLOHAN. I guess what I am trying to get at is your opinion of the loss of effectiveness we would see in the kind of prosecutions or investigations that these task forces undertake and the effectiveness of those investigations if this program were terminated.

Mr. MOSCATO. I think if it were terminated in the sense that the task forces themselves were reduced, the U.S. Attorneys as a group would have some real concern, as would I. On the other hand, to look at the administrative structure and the administrative costs associated with the conduct of the program, and to look toward their reduction to the extent that it is possible is something that is no more nor less than a lot of us have been going through for the last year. I think that has got to be salutary from any perspective.

Mr. MOLLOHAN. So you think that they should be subject to review and consideration? Of affecting this cooperation through some other means?

Mr. MOSCATO. Again, the task force means appears to be a highly effective and popular one. The area of concern, to the extent that a review might well generate a savings in the cost, around the achieving of the goal of the task force, I would like to see that. We have been undergoing, over the last year in the U.S. Attorneys' offices, a fairly rigorous internal process designed to reduce our administrative costs as well the delivery of our service. And we have had to look at some of the conferences in this area and tried to reduce them so that we could save money in order to employ more attorneys.

Mr. MOLLOHAN. Okay. When you testified you hadn't been asked, but if you were asked your opinion of whether to continue the task force, I take it your answer would be "let me look at that and get back with you."

Mr. MOSCATO. Yes, it would be.

Mr. MOLLOHAN. Whether we or anybody else would ask you that question?

Mr. MOSCATO. That is correct, sir.

DEBT COLLECTION INITIATIVE

Mr. MOLLOHAN. With regard to debt collection, in your statement you single out the importance of debt collection, and yet I note on page 8 of your justification materials you do not plan to receive additional resources from any debt collection initiative authorized in 1994. Is that true?

Mr. MOSCATO. I think we are waiting on those right now. I think the Department is working toward the mechanism that will allow those funds to be delivered to us. However, since we don't have them in hand, we have indicated that until we do, and know what their size is, we are not going to count on them.

For the time being, we have been estimating $11.9 million, I think, and we would sure like to get to that figure. It is a question of the bird in the hand as opposed to the two in the bush waiting to get them in hand.

Mr. MOLLOHAN. Right. Well, this Committee anticipated that you would receive those funds, and you are testifying that you anticipated it?

Mr. MOSCATO. Absolutely.

Mr. MOLLOHAN. What effect is it going to have on your programs if you don't receive it?

Mr. MOSCATO. Well, if we don't receive the funds, we are going to continue with our debt collection and other affirmative civil enforcement kinds of activities that are designed to generate funds at essentially the same levels that we are operating at now. If those funds become available, even later in this fiscal year so that they can be used in full flow in 1995, we can then embark on an enhancement in that area.

Mr. MOLLOHAN. How many additional attorneys would you hire; and how much debt would you collect if you had this $11.9 million?

Mr. MOSCATO. Our best estimate is that we would hire about a total of 125 additional staff, of which between 60 and 70 would be attorneys. I think, based upon our history, in which we collect generally $1 for every 7 cents expended, I think we would roughly estimate about $150 million additional dollars in enhanced revenue.

Mr. MOLLOHAN. So you make money on that?

Mr. MOSCATO. Yes, we do. And there appears to be no end to the availability of those situations.

CRIME BILL IMPACT

Mr. MOLLOHAN. You are perfectly aware that we are considering a pretty comprehensive Crime Bill on the Hill. Have you analyzed the impact on your workload of the provisions contained in the House version of the Crime Bill?

Mr. MOSCATO. Not in any rigorous sense. We have been aware that there are additional Federal crimes posed in both of the bills and we have seen some sense that there has never quite been a finalist. We have kept tabs on it, we have watched it, but I can't tell you that we have done any kind of formal analysis on it.

Mr. MOLLOHAN. Does either bill authorize any more U.S. Attorneys?

Mr. MOSCATO. My memory is that the Senate bill at one point, at least, did authorize a number of additional assistant U.S. Attorneys. I am subject to correction, but I thought at one point, we had an authorization for in excess of 300 assistants. I don't, to be honest with you, know if that continues or not.

PROGRAM REDUCTION

Mr. MOLLOHAN. As a part of the President's work force reduction, you are reducing 123 positions, including 62 lawyers; is that correct?

Mr. MOSCATO. Yes, sir.

Mr. MOLLOHAN. Is that reasonable or even compatible with the idea that you are going to have additional responsibilities? First let me ask how that is going to impact your current responsibilities?

Mr. MOSCATO. After a 20-year career in the Department of Justice and the Federal Government I would say there is no good bureaucrat in the world that is willing to answer that question other than, "gee, I could use more".

Nevertheless, let's note that the U.S. Attorneys offices have undergone some significant increases over the last five years, probably a total of a 50 percent enhancement between 1988 and 1992. We are currently in a posture in which over the last year we have been in a freeze with a directed target for reduction.

I think while this has been difficult for every office, it is not entirely without some salutary benefit. I think it has forced us, after a fairly lengthy and significant period of expansion, to take a look at where we are and to try to figure out if we can do this better and cheaper.

Mr. MOLLOHAN. Do what? What you are doing now, your current responsibilities?

Mr. MOSCATO. Exactly. And even perhaps to look at whether, with the availability of funding, we can handle additional resources.

Mr. MOLLOHAN. I didn't understand that—with the availability of funding you can handle additional resources. What does that mean?

Mr. MOSCATO. I am not quite sure of the syntax. What I meant to say was whether perhaps we can, during this period in which we are examining ourselves, learn not only to handle our current resources in a tighter environment, but perhaps even look to additional resources. I mean—look to additional responsibilities, I am sorry, not resources.

Mr. MOLLOHAN. Look to additional responsibilities and be able to fulfill them with the reduced resources?

Mr. MOSCATO. That is the hope ultimately. It is not something I am prepared to say we can do, and we may come back next year and say we were wrong, we need more. But I would note that over the last year when we started our freeze, we had a goal of 9 percent that we felt we had to lose in terms of staff to get to where we needed to be.

We have modified that back down to 5 percent and may yet modify it, because, in fact, most of the districts have engaged in very serious cost-cutting activities, whether it is in litigation support, facilities, or any of a number of administrative areas, we have reduced or reduced the increase in our cost areas. So I am not prepared to tell you I know where we are going to end up, but we have had some success in this area over the last year.

Mr. MOLLOHAN. Your testimony is that you can imagine that you can fulfill your current responsibilities and the additional responsibilities you are going to be given under the new Crime Bill with your current level of staffing?

Mr. MOSCATO. My testimony is that we are working very hard to try to accommodate our current responsibilities. About the future ones, I am not entirely sure I can say until I know exactly what those are and how extensive they are.

CRIME BILL—ADDITIONAL RESPONSIBILITIES

Mr. MOLLOHAN. Well, let me ask you this. The probability of passing a crime bill up here looks pretty great, and so the probability of your having additional responsibilities in the next fiscal year is equally certain. Have you looked at your needs in light of

those additional responsibilities, and are they reflected in your 1995 request to this committee?

Mr. MOSCATO. We have looked at generally the kinds of things that have been in the bill. I cannot say that we have analyzed them in detail.

Mr. MOLLOHAN. Don't you think you should?

Mr. MOSCATO. There have been moments when we wanted to, but we are waiting for the target to stop moving, because there has been some shifting around as to what might or might not be in that bill.

Mr. MOLLOHAN. But wouldn't it be prudent to anticipate some additional number above whatever baseline you are operating on in 1994?

Mr. MOSCATO. Yes, and we do.

Mr. MOLLOHAN. You do what?

Mr. MOSCATO. We do anticipate some additional workload associated with what the Crime Bill will bring us.

Mr. MOLLOHAN. And how is that reflected with the additional FTEs you might need, if any?

Mr. MOSCATO. Again, it is hard to answer that at the moment, because I don't know how this is going to settle out.

Mr. MOLLOHAN. I am sure the Committee will be pleased to hear this, actually.

Mr. MOSCATO. Simply making the argument that because we have federalized a crime does not necessarily increase costs, although obviously it adds a responsibility. But I think the next step is something that the Attorney General has emphasized throughout, and that is in a partnership with State and local agencies, whether it is law enforcement or corrections, for investigatory agencies or prosecutors, we need to sit down and work through what the relative responsibilities will be and who will handle what.

CRIMINAL WORKLOAD

Mr. MOLLOHAN. I think that is the way to do it. I am just a bit surprised that you aren't doing it in an anticipatory sort of way and coming up with a judgment, at least tentative, that we can do all of this with the current resources or we are going to have to have additional resources, and you ought to be on notice that we are going to be asking for them, with the death penalty and all of the other responsibilities.

Let me just ask one further question along those lines. Your workload tables on page 12 identify anticipated reductions in fiscal year 1995. In your criminal litigation program, are you anticipating less criminal activity, which means you will require fewer personnel, or are you going to handle fewer criminal cases because you don't have sufficient resources?

Mr. MOSCATO. I think that the cause of that identified drop in projection is that we are seeing an increase in the size and complexity of the cases that we are trying and that we are bringing, and perhaps that is appropriate for the Federal Government to be doing. As we have moved into financial institution fraud, as we will move into health care fraud, even more heavily than we are currently engaged, these are not any longer car theft or bank robbery cases. They are not relatively simple cases of an earlier time. They

are paper cases. They are intensive. They take a lot of effort, and I think they have a much larger impact. In terms of total numbers or even per capita numbers per assistant, we may see lower numbers, but that is not going to reflect anything other than a shift to much larger and more complicated cases.

Emily, you may want to speak to that?

Ms. SWEENEY. I would agree with Tony. I think it is a function of the types of cases and what terminates one year in relation to the next. I also understand that it is a relatively small decrease.

REDUCTION IN PROSECUTION

Mr. MOLLOHAN. Mr. Rogers?

Mr. ROGERS. Thank you, Mr. Chairman. I have to tell you that I sit here absolutely amazed at your testimony. At a time when we see on television blaring at us every hour of the day the zooming crime wave, the violent crime that has Americans afraid to leave their homes, you come here and ask us to cut funds for the prosecutors.

How in the dickens can you do that? I want the U.S. Attorneys to tell me, as well as the Executive Director. I am an old State's attorney, and, for 11 years and I know what short funds can do for an office. You have to cut back on interviewing witnesses. You have to cut back on the ability to call professional witnesses, and there is all sorts of things that happen to you when you get short of money in a prosecutor's office.

Now, we have the President on television saying that we are going to stamp out violent crime day in and day out. But when it comes to the actual doing of those things, we see cuts in budgets, not only for the U.S. Attorneys, but for the DEA and the FBI, cuts in funding, cuts in agents, and cuts in U.S. Attorneys. Now, what is going on here? Help me out.

Mr. MOSCATO. I think, sir, that you are looking at an Administration proposal that calls for the placing of local police in the community.

Mr. ROGERS. I am talking about U.S. Attorneys today.

Mr. MOSCATO. Yes, sir.

Mr. ROGERS. Are we going to have volunteer U.S. Attorneys to go out and help you people?

Mr. MOSCATO. I hope we won't reach that level, sir.

COMMUNITY POLICING

Mr. ROGERS. You know as well as I and the U.S. Attorney, practicing U.S. Attorneys that are here can tell us more than anybody. When you have more police on the street creating or arresting more people, hopefully taking some criminals off the street, that it increases the workload of everybody, U.S. Marshals, U.S. Attorneys, U.S. prisons, U.S. courts, the whole system. When you increase one portion, everything else has to be increased.

Now, if we put 100,000 new policemen on the street of America's cities, are you telling me that is not going to increase your workload?

Mr. MOSCATO. It may increase the workload.

Mr. ROGERS. Oh, come on. One-hundred thousand new police may or may not increase the U.S. Attorney's workloads? If it is not going to increase it, why put them out there?

Mr. MOSCATO. Sir, let me try and answer it this way.

Mr. ROGERS. Please.

Mr. MOSCATO. When I was a young boy growing up in New York City, in uptown Manhattan, we had police on the beat. Those policemen walked my neighborhood, and we were not always the best behaved of young men. And there were times when we, I think the phrase is "interacted with police" in a more rigorous way than my parents liked. In a couple of those cases, I was delivered home by the local policeman to my parents. On one occasion I actually protested I would prefer to be arrested. He dragged me up to my dad and said, "Are you going to handle this, or shall I?" I was handed over to my father who dealt with it.

I think the hope and expectation is that those 100,000 community policing local police officers are going to, in fact, have a significant impact in the community.

Mr. ROGERS. I pray that you are right.

Mr. MOSCATO. I do too, sir.

Mr. ROGERS. I am afraid things are a trifle different from when you grew up on the streets of New York. In that same neighborhood, I don't know your neighborhood, but chances are in that same neighborhood the police don't even go there in a tank these days.

Mr. MOSCATO. It is not a good neighborhood, and it has gotten less so certainly over the years.

Mr. ROGERS. Can you imagine walking the beat out here at one of the parts of this city where you would be mowed down before you could say hello.

Mr. MOSCATO. But, sir, isn't that part of this? I mean, isn't the notion around these 100,000 police an attempt to reclaim those neighborhoods?

Mr. ROGERS. It is really a side issue, because all of those 100,000 police are going to be put on city police forces prosecuting city, State, or local statutes or ordinances and we are talking about for U.S. Attorneys here.

Mr. MOSCATO. Yes, sir.

REQUEST TO OMB

Mr. ROGERS. The bill on the Floor of the House, the bill that has passed the Senate, creates 60 or 70 new Federal death penalties. There are dozens of new crimes created in the bill. Punishments are enhanced, would be enhanced. All sorts of get-tough-on-crime provisions are in those bills, calling for enormous new resources in the U.S. Attorneys' prosecutorial function.

It just flabbergasts me that you come here and ask for a cut in the numbers of people assigned to this type of work. Now, what kind of request did you make to the OMB? Is this your doing, or is it theirs?

Mr. MOSCATO. We had made a request for other resources to OMB, though not in the criminal prosecutorial area, sir.

Mr. ROGERS. Well, what did you request?

Mr. MOSCATO. The request was around affirmative civil enforcement to enhance the Federal Government's capacity to collect the monies.

Mr. ROGERS. I want the numbers. Tell me the numbers.

Mr. MOSCATO. My memory is an initial request.

Mr. ROGERS. I don't want your memory. I want the numbers. What did you request of OMB? That is the simple question; it calls for a simple answer.

Mr. MOSCATO. Two-hundred fifty people, roughly, and that may be off by a couple up or down, sir.

Mr. ROGERS. FTEs?

Mr. MOSCATO. Yes, sir.

Mr. ROGERS. They cut you back 250 FTEs?

Mr. MOSCATO. From that request.

Mr. ROGERS. That was your request.

Mr. MOSCATO. Yes.

Mr. ROGERS. That is significant, isn't it?

Mr. MOSCATO. Well, it is, although again, we are hoping that part of those resources are made up with the 3 percent on the debt collection fund that we were talking about a bit ago.

[CLERK'S NOTE.—Subsequent to the hearing, the following clarification was provided:]

POSITION REDUCTION

The United States Attorneys request to OMB included an enhancement of 250 positios and 125 workyears (FTE) for affirmative civil enforcement. There was a misunderstanding during the hearing. The reference to FTE should have been positions.

Mr. ROGERS. Well, where would these 250 FTEs, where would they have been used?

Mr. MOSCATO. Any affirmative civil enforcement area, in the areas of fraud, and financial litigation to enhance our capacity to collect monies due and owing the Federal Government.

CRIMINAL PROSECUTION

Mr. ROGERS. You didn't ask for additional criminal prosecutors?

Mr. MOSCATO. No, sir.

Mr. ROGERS. I have got to say why? I think you have answered earlier saying you had increases in the past and you don't need any more.

Mr. MOSCATO. Well, I don't think I said that we don't need any more. I think what I said, sir, and I am reluctant to say it again, because it strained your credulity.

Mr. ROGERS. Indeed it did.

Mr. MOSCATO. This last year has been a difficult one for us. We have been working through how we could cut our costs and enter this Administration in a more streamlined fashion.

This President, this Administration, ran as a central piece of the Administration budget reduction cost control.

Mr. ROGERS. It also ran——

Mr. MOSCATO. I am sorry.

VIOLENT CRIME

Mr. ROGERS. It also ran a theory of cutting back on violent crime that is killing Americans and causing a lawless society. We are in an almost virtual meltdown of law and order in the doggone country, and I just don't understand.

Mr. MOSCATO. Each U.S. Attorney has been tasked to work with everybody in his or her district to come up with a plan. If those plans generate and demonstrate a requirement for additional resources, sir, we will, in all likelihood, be back, but we are not there yet.

Mr. ROGERS. I am amazed you haven't had that feedback already, because I have from the U.S. Attorneys in my State, talking about the problems they are encountering, and I am sure that there is others like them.

Well, I am glad you are going after those that owe money, though. That is terribly important. We won't have anybody that owes us money, but we will all be dead.

Well, I just—I am flabbergasted, as I said before, at your priorities and the apparent attitude of OMB and the White House on carrying forward with what they say on television they want to do, and that is stop violent crime, and all the while behind the scenes cutting the budgets of the people that fight violent crime. You can't do it on the television air waves, you have to do it on the sidewalks and streets and alleys of this country with people with guns on and courtrooms with real lawyers prosecuting them, and with real prisons where they can be put behind bars for a long time.

REDUCTION OF ATTORNEY POSITIONS

Mr. MOLLOHAN. Mr. Moran?

Mr. MORAN. Thank you, Mr. Chairman. Thank you for raising some of these issues, Mr. Rogers. I agree with you that some of this is hard to figure out.

Let me first say hello to Mrs. Sweeney, who—isn't your husband the Chairman of the Appropriations Committee for the whole State of Ohio?

Ms. SWEENEY. He is a State representative of the Ohio house, yes, Chairman of Finance.

Mr. MORAN. Chairman of the Finance Committee.

Ms. SWEENEY. Right.

Mr. MORAN. So you understand some of the situations that we are in. I can't imagine, though, as Chairman of the Finance Committee, your husband is trying to cut attorneys out of—that would prosecute criminal cases. He shows too much good judgment from what I have seen of him. And I can't figure it out either.

The whole Department of Commerce is losing 29 positions and yet we are cutting 267 out of the U.S. Attorneys? It just boggles the imagination where the priorities are. I tend to strongly support this President and this administration, but people are more concerned about their physical security than anything else.

In fact, they can't even worry about anything else unless they feel that their children and families are safe in their neighborhoods, the kids are safe in schools and all, and that is not the case in too many cities. And it seems particularly quizzical when you

knew we had a crime bill coming up, and obviously we have put much more responsibility on to the U.S. Attorney's office.

Last week, how many new death penalty crimes, 62 or something?

Mr. ROGERS. Yes.

HABEAS REFORMS

Mr. MORAN. That are going to have to be prosecuted by U.S. Attorneys, and now we have the habeas issue that we are going to be debating today, which is probably going to put even more responsibility upon the U.S. Attorney's Office. Since that hasn't been decided by the House, I would like to ask you for your opinion on some of these so-called habeas reforms.

I know that every single one of the district attorneys in my State are opposed to the habeas provisions because they feel that they provide too much appeal opportunity to virtually ignore the State's actions, even though there is a full and fair judicial proceeding that has already been conducted at the State level, but nevertheless is going to have to be tried again at the Federal level in virtually every capital case, and with the so-called racial justice provision, I haven't found a State yet that feels that this is not going to result in overturning the majority of their cases that are pending, because of the statistical markup.

We don't need to go into the socioeconomic reasons for that, but the reality is that the district attorneys are doing a terrific job by and large, and I am a little concerned that now we feel that we have to have the U.S. Attorney get involved in virtually every capital case as well.

So with that little introduction, giving you an idea of where I am coming from, would you comment on the habeas issues that are going to be coming before us today?

Ms. SWEENEY. I regret to have probably not enough knowledge of the actual legislation to make any informed comment beyond knowing basically a lot of the same things you mentioned and a lot of the same concerns you have raised.

Mr. MORAN. Does anybody on the panel want to take that on? Nobody wants to say anything about the habeas provisions. Do you have any thoughts about it?

Mr. MOSCATO. I hate to appear unprepared, Congressman.

Mr. MORAN. All right. It is going to be a major increase in workload, if it is passed.

Mr. MOSCATO. Certainly.

Mr. MORAN. But you just sort of wait and see what happens, huh?

Mr. MOSCATO. And how it plays out.

THREE-STRIKES-AND-YOU'RE-OUT

Mr. MORAN. There is no position on the part of the U.S. Attorneys as an organization.

How about the three-strikes-and-you're-out provision. Does anybody want to take a stab at that?

Ms. SWEENEY. Well, I think all of the various proposals have a potential to increase our workload. From my perspective, it is going to be a matter of once this all sorts down, sitting down and figuring

out exactly how we are going to approach it. In my office individually, I know what we have been trying to do in the past is coordinate as much as possible the State and local law enforcement. And from a practical standpoint, it is State and local law enforcement that is taking the brunt on violent crime.

We have tried, in my office, to do this for a number of years. I think the approach we are going to have to take is to, as much as may come down to us from the Crime Bill, place even further emphasis on sorting out what is appropriate for us to handle at the Federal level, and how much we can truly coordinate violent crime in the other areas with our State and local counterparts.

Mr. MORAN. Well, the three-strikes-and-you're-out provision is going to not only put more pressure on the U.S. Attorneys, but it is going to put a lot more pressure on U.S. prisons, which then affects the flexibility of the U.S. Attorneys. We don't have any place to put people. And you wind up having to support more parole, which seems to be the last thing that we want to do. And it is counter to the effort to eliminate parole.

Now, the President recommended the three-strikes-and-you're-out provision. We have been told that if it applied last year, it would have applied to 235 people and most of them would have been American Indians who got into fights on Indian reservations.

Did the President consult with the U.S. Attorneys who would have to prosecute the three-strikes-and-you're-out provision before announcing his support of that proposal?

Mr. MOSCATO. I think that proposal came through the Attorney General's Advisory Committee.

ATTORNEY GENERAL'S ADVISORY COMMITTEE

Mr. MORAN. Is that right? Who is the Attorney General's Advisory Committee?

Mr. MOSCATO. It is a group of 22 United States Attorneys chaired by, at the present time, Mary Jo White, who is the U.S. Attorney for the Southern District of New York. And it has representatives from large and small districts, either, northeast, geographically distributed as well. Those 22 stay in contact with another three or four other U.S. Attorneys to whom they are assigned responsibility, so when they come to the table, they bring the views of the U.S. Attorneys.

Mr. MORAN. So the U.S. Attorneys' Advisory Commission recommended the proposal that the President suggested? I think it was in his State of the Union address.

Ms. SWEENEY. It was reviewed by the Committee, yes. I had not heard the comment about the American Indians. It had always been at least my personal opinion that that three-strikes-and-you're-out provision was going to be applied to the truly deserving offender, so to speak.

MINIMUM MANDATORY SENTENCES

Mr. MORAN. Well, of course, you know that more than 95 percent of the violent crimes in the country are not Federal crimes. We could also apply it to if you shoot a mailman or kidnap a Congressman, but nobody suggested to raise the sentences.

The problem is that we are getting some conflicting information, because Mr. Wilke of the U.S. Sentencing Commission didn't think that that was such a good idea, and, in fact, he suggested that the minimum mandatories weren't working, that they were being implemented in a racially discriminatory manner, not deliberately, but in the sense that since we all need—in regards to crack cocaine, the people that were getting the minimum mandatories tended to be the young kids at the bottom of the line that had nothing to trade in return for a plea bargain, and so they were the ones who were sent away forever, and plus they had the least ability to afford fancy lawyers. But they are the ones that got stuck with that.

I think it was in that context that we ought to be careful about these pieces of legislation, that it was suggested that the three-strikes-and-you're-out may be a similar situation, and may also, not in addition to targeting American Indians after having taken away their land and destroyed their culture, we are going to apply the toughest restrictions on them—toughest sentencing on them, but it also means that we would turn some prisons into rest homes, providing kidney dialysis and heart bypass operations and so on for people who are in their seventies. So this has a direct impact upon you.

I don't want to give you a hard time, but it just seems that you would be the most affected by this, and we are getting some inconsistent signals from some of the people involved in the process. Do you think this is a good idea, three strikes and you're out?

Mr. MOSCATO. To the extent that it adds to the arsenal, yes.

Mr. MORAN. You do. Do you think the minimum mandatory sentences are a good idea?

Mr. MOSCATO. A harder question. I know that the Department has been looking at those through the tenure of this administration. I think in some ways it depends on which minimum mandatory we are talking about and how it falls. Obviously, if you do have a situation not of intent, but in application where you are getting a racially unbalanced result, you have got to go back and look at it.

TEAMSTERS ELECTION

Mr. MORAN. Let me just ask one other quick—raise one other quick issue here. I would like for you to briefly describe the nature of the work to be performed by the election officer for the upcoming Teamsters election, which is being supervised by the Federal Government. You are asking for $6.9 million and a total of $21 million over three years to supervise an election.

Tell us a little bit about that.

Mr. MOSCATO. This is, as you noted, a one and a half million person union that has a history of some significant difficulty. As a result of the consent decree in the 1980s, there was an agreement that, in fact, the next several elections in the Teamsters would be monitored. That monitoring was done by the Department of Labor in 1991.

The Department of Justice is assuming that responsibility for the 1996 election. Under a supervisor of elections, there will be staff hired across the country. There will be regional coordinators, attor-

neys, and a whole host of activities conducted designed to ensure that the people who are voting are, in fact, certified as members, that there are proper voting procedures in place, and that the convention, when it is held, is properly conducted.

This is a very huge effort on a very important union in the United States, and it is a responsibility we have undertaken in terms of making sure that it goes right.

Mr. MORAN. You are referring to fraud, you just can't trust the election to be——

Mr. MOSCATO. I think that is clearly the case.

Mr. MORAN. Well, $21 million is a lot of money, particularly when we have to cut 267 criminal litigators out of the same budget.

Thank you, Mr. Chairman.

Mr. MOLLOHAN. Thank you, Mr. Moran.

How many people do you plan to hire for this Teamsters election?

Mr. MOSCATO. We don't plan to hire Federal employees. It is going to be run under the auspices of the supervisor of elections. These individuals will be hired by that person, and they will not be Federal employees. They will do their job and move off again.

Mr. MOLLOHAN. So you are contracting it out?

Mr. MOSCATO. Yes.

Mr. MOLLOHAN. How many people are you talking about hiring?

Mr. MOSCATO. I don't have an exact figure.

Mr. MOLLOHAN. It seems like an awful lot of money to monitor the elections of one labor union.

Mr. MOSCATO. A very large union.

Mr. MOLLOHAN. Mr. Skaggs?

CRIMINAL LITIGATOR CUTS

Mr. SKAGGS. Thank you, Mr. Chairman. The number that Mr. Moran just cited, 267 criminal litigators. Is that accurate? The information that I have was not quite so draconian sounding.

Mr. MOSCATO. I chose not to challenge it, but what we were talking about was 123 in 1995, of which 60 some were Assistant U.S. Attorneys, plus an additional 20 out of the OCDETF appropriation, of which would total 143, of which 70 plus would be assistants.

Mr. MORAN. Well, the $21 million is a three-year figure, and your budget has said you were going to cut 267 criminal litigators over the next three years.

Mr. MOSCATO. Over the course of the mandated administrative cuts.

Mr. MORAN. Okay.

Mr. SKAGGS. Okay. Thank you for clearing that up.

Mr. MORAN. And that is the concern, that it is not going to get any better next year. It is not going to get worse. Excuse me.

THREE-STRIKES-AND-YOU'RE-OUT-PROPOSAL

Mr. SKAGGS. Thank you for clearing that up. I share my colleague's consternation about how we get from here to there with greater challenges and fewer folks in the courtroom. One thing, to pick up further on the three-strikes-and-you're-out proposal, I would assume that you are not going to get too many people pleading guilty to a third violent crime with that in place, and that therefore you can certainly, and it is in the House bill, it is in the

Senate bill, the President endorses it, it is going to be there. It would seem that your models for caseload ought to be able to suggest how many additional full blown trials there will be just as a result of that provision.

We know what the predicate population is. Aren't you going to have a lot more attorney years in court just flowing out of that provision?

Mr. MOSCATO. We may. It depends in some ways on the final language of the three-strikes-and-you're-out provision, what that provision captures, whether there is a cutoff in age, what the definition of serious crimes is and the length of time between them, and whether there will be any option for consideration of three rapes conducted two months apart as opposed to a robbery at 19 followed by another serious crime at 30 and another one at 55.

There have been many different drafts of that bill, and what finally passes is what is going to drive the workload associated with it.

Mr. SKAGGS. But I mean taking the least strict language as the minimum that is likely to be adopted, you are not going to have a whole lot of people pleading guilty to that third strike, right?

Mr. MOSCATO. I think that is reasonable.

Mr. SKAGGS. Therefore, there will be trials on those cases. Those are trials, some of which now aren't occurring; is that right?

Mr. MOSCATO. Yes.

Mr. SKAGGS. Therefore, there will be additional demands on your resources.

Mr. MOSCATO. That is correct.

Mr. SKAGGS. Do we see any areas where there will be fewer trials coming out of either changes in administrative practice or this bill in its, again, least impacting versions?

Mr. MOSCATO. Out of the bill, I don't see anything diminishing.

Mr. SKAGGS. Nor out of changes in the administration of justice that you have discretion to make. So we are going to have more trials next year than we have this year.

Mr. MOSCATO. We may, yes.

Mr. SKAGGS. And fewer U.S. Attorneys.

Mr. MOSCATO. Yes.

Mr. MORAN. Would the gentleman yield for a moment? You are saying that we have this major crime bill, the whole Nation is talking about it, and you are the first witnesses who really don't have any opinion on it, and you are the ones most impacted by it. I mean you take a totally reactive stance to this. Who, me? I can't believe that there isn't some policy direction coming from the U.S. Attorneys.

As Mr. Skaggs says, it is going to be an enormous additional workload and you are trying to cut people. I am sorry to interrupt. But I share what seems to be Mr.—well, the whole panel's concern here. I am finished.

Mr. ROGERS. Stay calm.

Mr. SKAGGS. Jim is an 8.5 on the Richter scale, I am only about 5.5.

Mr. MORAN. But climbing.

Mr. SKAGGS. You know, as they say, we in the Federal Government want to be your friends. It is not as if we are in a different line of work fundamentally. We want to solve these problems. It is just we need some insight from you about whether OMB or not, notwithstanding, whether you are really going to be able to get this job done with what you have been forced to ask us for. And we need your candor and counsel on this, or we are all going to be in the soup.

Nobody out in the public is going to differentiate as to whether it was an OMB decision or this subcommittee or somebody else that is nameless somewhere. I think we have probably made our individual and collective points on this adequately.

The same logic would apply, I think, to the question of death penalties that Mr. Rogers was asking about, and so on.

Let me give you some welcome relief from this and ask you about another area. The administration has suggested some significant legislation in the area of digital telephony and access by law enforcement in a new telecommunications era to telephonic communications.

An impression is out there that somehow teletaps are a quick and easy investigative tool, and one which Federal law enforcement and U.S. Attorneys are prone to use casually and without any significant cost; and therefore, to suggest passing a law that would facilitate this as a proposal would be a foolish invitation of the Feds to tread on our privacy and civil liberties. I would like you—that was obviously a little bit of a softball formulation of this for you—but I would like a U.S. Attorney's point of view on this issue, as well as the other side of the debate. What kinds of cases do you make now, that tend to be particularly dependent upon this sort of evidence, that would be problematic for you to make, absent the resources?

Ms. SWEENEY. Clearly, the cases you are looking for are complicated cases with large networks of folks where you don't have the ability to have someone who is going to come forward and testify or you don't have a link into them. I think a lot of the public's perception of the abuses of this are very misplaced, in light of my experience with the attention that phone taps get and the degree of deliberation that goes into their use.

I was asked this question once before and said I call it like the movie, "The Fugitive" syndrome. If you watch that movie, there is a point where the marshal turns and says, "Get me phone taps on all of the lawyers." And I think it creates a perception in the public when they see things like that, that that is the way the Federal Government operates in that regard, which is absolutely not true.

Mr. SKAGGS. Well, how does the Federal Government—what are the costs? If your office—you work in Ohio?

Ms. SWEENEY. Yes.

Mr. SKAGGS [continuing]. Wants to do a tap, what do you have to do?

Ms. SWEENEY. There are levels of approvals that must be obtained and levels of review both within the Department and within the offices. I think if you lose the ability to do this, you are going

to lose abilities in the areas of organized crime, major drug trafficking, espionage, areas like that. So I think it is an important issue.

GRAND JURY IMMUNITY

Mr. SKAGGS. Do either one of your colleagues care to elaborate on that?

I am awaiting a departmental response on this, but let me ask you as a U.S. Attorney and as representatives of U.S. Attorneys around the country. There is some consideration being given and action urged on the Congress to consider a legislative grant of immunity to a grand jury empaneled a couple of years ago in Colorado so that they might testify before a committee of the Congress on the proceedings of the grand jury, and not risk sanction for violation of their oath of secrecy.

Would such a precedent, if Congress were to take such an action, have any effect that you might foresee on the operations of grand juries within your jurisdiction?

Ms. SWEENEY. It is not an issue I am familiar with or have given a lot of thought to. I obviously would hesitate to say something off the top of my head, and if I do, it is probably going to be not relatively deep, but I am thinking—but if one of my colleagues would try.

Mr. SKAGGS. Or if you would care to comment for the record.

Ms. SWEENEY. Certainly. I would be happy to do that.

Mr. SKAGGS. Again, if I didn't give you enough information about the proposal to help you form an opinion, let me know and we will explain further.

[The information follows:]

GRAND JURY IMMUNITY

The Executive Office for United States Attorneys' comment on Grand Jury Immunity will be provided to the Subcommittee as soon as the response is finalized. The response to this inquiry is now being reviewed by the appropriate officials within the Department.

Mr. SKAGGS. Thank you, Mr. Chairman.

Mr. MOLLOHAN. Thank you.

Mr. Rogers?

ORGANIZED CRIME DRUG ENFORCEMENT

Mr. ROGERS. I will be brief, Mr. Chairman, because we have other witnesses. Let me ask quickly about the organized crime drug enforcement that you have been asked about. Ms. Sweeney, I believe your district participates in one of these task forces, does it not?

Ms. SWEENEY. That is true.

Mr. ROGERS. Well, as a frontline prosecutor, do you believe that coordination and cooperation between agencies will be lessened if these task forces are abolished?

Ms. SWEENEY. I think the OCDETF program in my district has been an excellent one for several reasons. First, I think it was a model very early on for what we are now doing with State and local law enforcement.

As far as my district is concerned, I would like to see the program continue. I think it provides a stable State, local and Federal

task force. Very often in U.S. relationships with State and locals, the participants change. You get a new police chief, people have different allocation procedures and there is a fluctuation. The OCDETF program maintains a level of stability in that cooperation which, I would like to see continued.

TEAMSTERS ELECTION

Mr. ROGERS. Well, I think you have probably hit a responsive chord on this panel, because I think probably we feel the same way. We have seen the work of OCDETF and what it has meant to organized crime, almost eradication in the country, and I certainly hope the Attorney General rethinks the apparent position to abolish it.

Now, on the Teamsters election, you are asking for $6.9 million, almost $7 million to finance the work of the election officer. What is that?

Mr. MOSCATO. The person with the direct responsibility for overseeing that Teamster election over the next several years.

Mr. ROGERS. Why is that not being done by the Labor Department.

Mr. MOSCATO. I don't know the answer to that directly. My understanding is Labor did it in 1991, and in discussions with the Department had agreed that the Department would do it. I can get you the answer to that for the record, sir.

Mr. ROGERS. I would be interested to know that. It seems that it is administered by the Labor Department. I don't know why the U.S. Attorneys are being asked to monitor a union election, and why you need almost $7 million. What are you going to do with that money?

Mr. MOSCATO. It is basically going for people to watch this process throughout.

Mr. ROGERS. You are not going to hire additional people though.

Mr. MOSCATO. The election officer will be hiring a number of people around the country. They are not coming under Federal rolls, but she is going to be hiring regional officers, election monitors, attorneys, a whole range of people to watch this election closely.

Mr. ROGERS. When is the election?

Mr. MOSCATO. 1996.

Mr. ROGERS. We are going to give almost $21 million to this cause for three years.

Mr. MOSCATO. From 1995 through 1997, yes, sir.

[The information follows:]

Supervision of IBT Election

The Department of Justice ("DOJ") has estimated the cost of supervising the 1996 election using the best available indicator of anticipated expense -- the cost of supervising the 1991 IBT officer election, which was the first direct rank-and-file election of officers in the union's troubled history. Pursuant to the Consent Decree that settled the civil RICO litigation, a court-appointed Election Officer supervised the 1991 election, at a cost of $21 million dollars. (Pursuant to the terms of the Consent Decree, the IBT bore the entire cost of the 1991 election). The $21 million dollar cost estimate is the result of a "bottom-up" analysis, in which a cost was assigned to each task known to be necessary from the Election Officer's experience in the last election, and adjudged by DOJ and the Election Officer to be necessary for the upcoming election.

The cost is significant because of the magnitude of the undertaking. Among the tasks that must be accomplished is the compilation of an accurate list of eligible voters from IBT-supplied computer databases containing information about the 1.6 million IBT members, the supervision of delegate elections in local unions across the nation, the printing and distribution of ballots both for delegate and officer elections, the planning and conducting of the IBT convention, and the establishment of a quasi-judicial body that will hear and resolve election protests brought by union members and employer companies during the election process to ensure a corruption-free vote.

Because of the character and magnitude of the undertaking, it is not feasible for the Department of Labor ("DOL") to assume supervisory authority over the 1996 IBT election.

- First, DOL has already refused to participate in supervising the either the 1991 or 1996 election. DOL has never supervised such a large or complicated election, and does not have the personnel or other resources necessary to supervise the 1996 election. In 1991, the Election Officer adjudicated 1,500 election protests prior to the election and monitored the running of 600 local union elections. DOL is simply not adequately staffed or funded to supervise an election of comparable scope or complexity.

- Second, the supervision method that will best ensure an election free of corruption is foreign to DOL. DOL resolves election protests <u>after</u> an election is completed. Pursuant to the Labor Management Reporting and Disclosure Act ("LMRDA"), DOL may conduct a second election if the first election is found to have been unfair. The IBT election process has historically been corrupted by La Cosa Nostra influences, and the Government expects that in 1996 organized crime families will attempt to re-gain control of the IBT by means of the

election. See annexed August 4, 1993 letter from Mary Jo White to the Honorable Janet Reno, p. 3. In this circumstance, pre-election resolution of election protests is vital. The pre-election methodology best serves DOJ's law enforcement goal of preventing La Cosa Nostra from influencing the outcome of the 1996 election in the first instance. Moreover, because the election is likely to be tainted absent pre-election monitoring, reliance on LMRDA-based post-election remedies may well result in the running of two elections instead of one, with the attendant duplication of costs.

- Third, because of its methodology of undertaking post-election investigation and adjudication, DOL cannot supervise the IBT election without creating an appearance of conflict of interest. If DOL supervises the running of the 1996 election and subsequently is called upon to investigate aspects of that same election process under the LMRDA, the agency would be placed in the difficult position of scrutinizing its own conduct.

- Fourth, because DOL was not involved in the supervision of the 1991 election, the expertise that inheres in the Election Office, especially with respect to its specialized knowledge of the IBT and the IBT election process, would be relinquished were DOL to supervise the 1996 IBT election. A closely related issue is the loss of faith in the credibility of the election process that the union membership would likely suffer if the Election Officer were displaced in 1996. Partly by virtue of the Election Officer's status as an independent monitor of union affairs, the 1991 election was widely perceived by the membership to have been fair. In a union where the membership deeply distrusts Government intervention, removing the Election Officer and substituting an agency of Government as the monitor of the 1996 election would only undermine the supervision effort and possibly squander the goodwill that the Election Officer generated in the 1991 election.

- Finally, DOL's experience in supervising the 1972 United Mine Workers election establishes that its supervision of the 1996 IBT election would likely not be as cost-effective as the Election Officer's oversight. As a frame of reference, on a per-member basis, supervision of the United Mine Workers 1972 election cost the Government six times the amount expended by the Election Officer in 1991 to supervise the IBT election.

With respect to the staffing issue raised by the Subcommittee, it would not be cost-effective to divert DOJ personnel to support the supervision effort. In 1991, hundreds of individuals who staffed the supervision effort were workers who performed largely clerical tasks such as ballot counting. These workers were hired for circumscribed periods of time

in the localities in which their services were required. Such temporary workers can economically be retained on an as-needed basis where they reside. Likewise, it is advantageous for the Election Officer to hire the 50 or 60 core personnel of the Election Office from outside DOJ. These core personnel administer the central office in Washington DC and the regional offices established primarily to oversee the delegate elections. In 1991, many of these individuals had specialized backgrounds in union affairs or labor law. It is anticipated that a significant number of the core personnel hired to support the 1996 effort will be individuals who participated in the supervising the last IBT election, and thus will have pertinent experience that will again save the Government effort and expense.

Finally, the statement made before the House Appropriations Subcommittee on April 19, 1994 that the Consent Decree commits the Government to supervision of "several" IBT elections is inaccurate and should be corrected. DOJ has requested the appropriation to supervise the 1996 election primarily because the upcoming election, pursuant to the terms of the Consent Decree, is the Government's last chance to nurture democratic participation of the membership in union governance through intensive election supervision. Recognizing the need to prevent corrupt influences from returning to influence the election process, and the success of the 1991 effort by the Election Officer, the district judge who administers the Consent Decree has expressed his expectation that the Election Officer's efforts will continue in 1996.

Supervision of the 1996 IBT Election is a cost-effective means of furthering the Government's ultimate aim of ridding the IBT of corruption in order that the union membership may fairly and directly govern their union. The Government spent tens of millions of dollars over several decades prosecuting corruption in the IBT prior to bringing the civil RICO suit in 1989. By means of the Consent Decree that settled the RICO suit, the Government has effected extraordinary reform within the union, with a degree of success that had not been achieved even by a strategy of criminally prosecuting corrupt IBT officials. The centerpiece of this reform was the rank-and-file election in 1991, which enabled the membership for the first time in the union's history to elect directly the candidates of their choice by secret ballot. Supervision of the 1996 election will enable the Government to safeguard the reforms that have been achieved thus far, and to further the aim stated in the Consent Decree of ensuring that the single largest trade union in the world remains corruption-free to the greatest degree possible.

U.S. Department of Justice

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CONFIDENTIAL

August 4, 1993

Honorable Janet Reno
Attorney General
Department of Justice
10th & Constitution Avenues, N.W.
Washington, D.C. 20530

Re: Supervision of the 1996 IBT Election

Dear Madam Attorney General:

I understand that the Executive Office for United States Attorneys will be submitting a specific budget request to fund the supervision of the 1996 election of officers for the International Brotherhood of Teamsters ("IBT"), the country's largest labor union. As you know, the Department has devoted substantial resources and years of effort to attempt to rid the union of mob dominance. As a result of a successful civil RICO action, there is a court-ordered Consent Decree in place that authorizes the government (at government expense) to supervise the 1996 election through the appointment of an independent Election Officer.

My understanding is that there has been one brief discussion with you concerning the decision whether to have the Department fund the appointment of an Election Officer and that several questions were raised, including whether it would be possible and wise to have the Department of Labor supervise the election. As I discussed very briefly with Phil Heymann in Washington last week, I think that it is very important, even in these extremely tight budgetary times, for the Department to make the policy decision to attempt to secure the necessary funding to permit supervision of the 1996 election by an independent Election Officer.

Since I know that the Department's review of this issue is ongoing, I have asked my staff to prepare an outline of some of the issues that have arisen or may arise as the Department continues its budget review. (I have also provided a copy of this letter to the Executive Office and the budget personnel working on the request for whatever use it may be to them.) If it would be of any assistance, I would be happy to make myself and/or any member of my staff available at any time to discuss this matter with you or your staff.

Although addressed in greater detail in the attached outline and in the the written submissions that have been previously made, I will discuss very briefly a few of the relevant questions that I raised with my staff during my own review of the matter:

1. Possible Supervision by the Department of Labor: It is certainly legally permissible to have the Department of Labor supervise the 1996 IBT election if it is willing to do so and if it had the personnel to perform the task. There are several reasons that I believe strongly counsel against this option, assuming that it were available. These include primarily:

(a) The judge supervising the Consent Decree has stated publicly, in no uncertain terms, his strong preference for an independent, court-appointed election officer.

(b) Throughout all discussions of the Consent Decree as it relates to the election process, all parties have emphasized the importance of having an independent election officer who is not aligned either with the government or the union. The IBT members deeply resent the government's intervention in union affairs and any election officer associated with the government is much less likely to be able to win the trust and cooperation of the membership. The Department of Labor obviously is the government and that fact would certainly undermine the credibility and effectiveness of the supervision process.

(c) The Department of Labor does not have the experience or specific expertise to supervise an election of this unprecedented scope and complexity. The IBT election, pursuant to the court-ordered Consent Decree, is now a three-tiered process designed to foster democratic participation in union government. (The three tiers are: (i) a secret ballot election of delegates by each of the 660 locals; (ii) a nominating convention at which delegates vote by secret ballot; and (iii) a secret ballot vote at which the 1.5 million members of the IBT vote directly for their choice of international officers.) As the final report on the 1991 election by the Election Officer stated: "The Consent Decree Order's electoral provisions were unprecedented. The United States Department of Labor had never supervised an election as large or as complex as this one. To my knowledge, supervision of any comparable union election had never been undertaken anywhere in the world."

(d) Although legally permissible, supervision of the election by the Department of Labor would also create at least the appearance of conflict. Pursuant to Title IV of the Labor-Management Reporting and Disclosure Act, the Secretary of Labor is authorized to investigate post-election claims of election improprieties and to seek appropriate remedies. If such claims were made with respect to the 1996 election, the Department of Labor would be placed in the position of investigating and remedying claims of improprieties that occurred under its own supervisory watch.

(e) With respect to both the 1991 and 1996 elections, the Department of Labor has made clear that it would not take on the assignment of supervising the IBT election. (This view has been expressed most recently by the Assistant Secretary-Designate who will oversee OLMS and the career OLMS officer who would have responsibility for this project.) For the reasons outlined above, we believe that this is a wise decision and we fear that even if the Department of Labor could now be persuaded to take on the task, the lack of personnel and specific expertise, among other reasons, would likely doom the effort to failure.

2. Congressional interest: A decision not to fund the supervision of the 1996 election, we firmly believe, would undo the extensive work and efforts that the Department has made to free the IBT from mob control and could be perceived as an abandonment of the commitment to rid the IBT of mob infiltration. The Department's efforts have been closely followed by Senator Nunn's Permanent Subcommittee on Investigations which held three days of hearings in 1989 following the signing of the Consent Decree in the civil RICO case. Senator Nunn described the Consent Decree as an "historic agreement" and noted that "... the Subcommittee has repeatedly expressed its view that the union must free itself of any association with organized crime in order to adequately serve the interest of many honest and law-abiding rank-and-file members across this country." Investigators from the Subcommittee have inquired of the Department in May 1992 and again in April 1993 as to whether the government would be exercising its option to supervise the election in 1996. We have every reason to believe that Congress would be understandably critical of a decision not to supervise the election.

3. The risk of problems during the 1996 election: The risk that organized crime will attempt to influence the 1996 election is real and imminent. In addition to the extensive evidence of problems that occurred during the 1991 election, the Department has been informed by government informants of both the importance of the IBT to the organized crime families and of intended efforts to attempt to regain control of the IBT in the 1996 election. Among the informants conveying this intelligence are Al D'Arco, the former Acting Boss of the Luchese crime family, and Sammy Gravano, the former Underboss of the Gambino crime family.

Thank you very much for your consideration. We recognize that resources are scarce and that priorities must be carefully set. But we believe that the integrity of the 1996 IBT election should be considered a major priority and that funding its proper supervision is a necessary expenditure to ensure that decades of efforts by law enforcement to restore the union to democratic control are not lost.

Please let me know if you need any further information as you consider this budget request.

Respectfully submitted,

Mary Jo White

MARY JO WHITE
United States Attorney

Enclosure

cc: Honorable Philip B. Heymann

Anthony C. Moscato (EOUSA)

ISSUES CONCERNING THE REQUEST FOR FUNDS
TO SUPERVISE THE 1996 IBT INTERNATIONAL OFFICER ELECTION

August 4, 1993

United States v. International Brotherhood of Teamsters
88 Civ. 4486 (DNE) (S.D.N.Y.)

The 1989 Consent Decree in United States v. IBT provides for supervision of the 1991 and 1996 International Union Officer Elections by an independent Election Officer. The Consent Order mandated the use of a newly-devised election procedure, including direct voting for International Officers by the 1.6 million union members. In 1991, the IBT paid all the costs of supervision. The Consent Decree provides that, for 1996, the government can have an independent Election Officer conduct the supervision at government expense. These two elections will, in all likelihood, be the only two opportunities in this generation to nurture democratic participation of the membership in union governance through intensive election supervision. The IBT will never again voluntarily subject itself to this sort of scrutiny, and it took the government decades to assemble proof of corruption sufficient to warrant requesting this far-reaching relief from a court (obviously, the proof here was sufficient to compel the IBT's voluntary agreement).

Although union membership has declined in recent years, the IBT, which is still the single largest trade union in North America, continues to exert extraordinary power through a membership that extends to all sectors of the economy. Control over the union continues to be a valuable prize: corrupt control affects not just the union membership, but the national economy and the public interest.

This memorandum identifies some of the considerations that should influence the government's decision to exercise its option to have an IBT International Officer election intensively supervised for the second -- and final -- time.

A. Likely Reactions if Election Supervision is not Funded

1. The Judge

a. Judge Edelstein has made clear that he expects the 1996 IBT election to be supervised, and that an Election Officer independent of the government, not the Department of Labor, should perform the supervision. At a hearing on April 1, 1993, the following colloquy occurred:

MR. HOLLAND (outgoing Election Officer):

The government could choose either the form that

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we have used here, a court-appointed election officer, or the United States Department of Labor.

THE COURT:

It is going to be a court-appointed officer.

MR. HOLLAND:

Under any set of circumstances, it is the government's turn to pay.

THE COURT:

Well, I think I can persuade them.

More recently, during the conference on June 23, 1993, at which Amy Gladstein was installed as the replacement Election Officer, Judge Edelstein reinforced his view that the 1996 IBT Election Office project should go forward. As the Judge noted, the task of removing corruption from the union is far from complete:

> I do not feel altogether secure in the belief that this complete job has been done. I am worried. It is a very large union. And when a cancer metastasizes, surgery has to be more intrusive and more successful and more radical.
>
> We may not, cannot, should not, must not allow this union to go back to doing business the same old way. All of our efforts -- and there has been a lot of blood and sweat over the last four years -- will have been in vain, . . . if we lose sight of the fact that vigilance is the eternal price of democracy.

The Court noted, in particular, that at the 1991 IBT Convention, union delegates attempted to rescind the Consent Decree, to "override everything and say we're starting anew." Similarly, the Court predicted, in installing Ms. Gladstein as the replacement Election Officer, that "the next election is [not] going to be a breeze . . .. I have every reason to believe that you're going to have some real problems with that election, real ones."

b. If the Government chooses not to pursue the election supervision under the Consent Decree, Judge Edelstein will expect an explanation from a responsible official in the Department of Justice. In the Fulton Fish Market case, Judge Griesa not only sought such an explanation, but seriously considered ordering the Government to pay for continued supervision of the market after the terms of the original consent decree expired. Had the court gone further, it would have put

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the Department of Justice in a position, quite difficult to explain to the public, of opposing continuation of a law enforcement program that the Government itself had asked the court to implement. The matter was resolved when the Government agreed to fund a limited extension of the administrator's term and to negotiate with the City of New York for permanent regulation.

2. The Union

a. General President Carey has indicated to the Election Officer that the IBT will not oppose supervision by an Election Officer in 1996. Before 1991, Carey supporters and other members opposed to the entrenched leadership were not allowed any voice in union politics, and even suffered physical beatings at IBT conventions. Although Carey could not publicly support Government intervention in the union, it is apparent that his own political future -- and the viability of other fledgling grassroots groups -- may depend upon such supervision.

b. The Election Officer has received numerous inquiries from dissident groups within the union (such as Teamsters for a Democratic Union) regarding plans for the 1996 election. The upshot of those inquiries suggests that the union membership (or at least the politically astute membership) expects that the 1996 election will be supervised.

c. Counsel for the IBT expressed surprise at a private meeting with Government counsel (Bennett) when the suggestion was raised that Government funding for an Election Officer was not guaranteed. It appears that the IBT has made no contingency plans to organize the election on its own.

3. The Press

a. This case, from its inception, has received massive publicity.

b. The Government's decision to abandon election supervision would receive similar publicity. The Government must inform the union and the Court immediately if a decision is made not to fund election supervision.

c. Press coverage would probably characterize the decision of the Government's decades-long policy aimed at breaking La Cosa Nostra's influence over the IBT and promoting membership control.

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4. Congress

a. Congress has investigated the affairs of the Teamsters Union for more than 30 years, going back to the McClellan Committee of the 1950's. See R. Kennedy, The Enemy Within (Harper & Bros. 1960) (report on McClellan Committee investigation, spearheaded by Robert Kennedy as committee counsel, of IBT corruption). Indeed, in large measure, the origins of the RICO statute can be traced to Kennedy-era Justice Department concern with corruption in the union.

b. The Nunn Committee (Senate Permanent Subcommittee on Investigations) has closely followed the implementation of this case. In 1989, shortly after the Consent Decree was signed, the Committee held three days of hearings. At that time, Senator Nunn described the Consent Decree as "a historic agreement." Senator Nunn also noted:

> [T]his Subcommittee has on numerous occasions investigated allegations of corruption and organized crime influence within the Teamsters union. In doing so, the Subcommittee has repeatedly expressed its view that the union must free itself of any association with organized crime in order to adequately serve the interest of many honest and law-abiding rank-and-file members across this country.

In May of 1992, Paul Coffey (Chief of OCRS) and Assistant United States Attorney Bennett met with investigators from the Committee to discuss, among other things, whether the Government would exercise its option to supervise the 1996 election. In April of 1993, an investigator from the Committee again requested information on the status of the Government's decision. The Executive Office for United States Attorneys informed us that we could not speak to the Committee investigators.

5. La Cosa Nostra

a. For more than 30 years, La Cosa Nostra has exerted corrupt control over the IBT. Control of the union has meant the ability to extort employers, legitimacy, and political connections (e.g., links to Nixon campaign and the bribing of Senator Cannon), and access to millions of dollars (e.g., use of Central States Pension Fund monies to build mob-controlled Las Vegas casinos).

b. The clear pattern, prior to the Consent Decree, was to control the union by controlling the choice of top leadership. Thus, IBT Presidents Hoffa, Fitzsimmons, Williams, Presser, and McCarthy were all linked to organized crime. Ron Carey, though a reformer, was President of IBT Local 804 when the

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Local's Secretary-Treasurer was convicted of racketeering. Carey refused to testify in that case absent a grant of immunity. More recently, Carey has been linked to Alphonse D'Arco, former Acting Boss of the Lucchese Family, now in the Witness Security Program.

c. Available evidence strongly indicates that the LCN remains highly interested in controlling the union. An "extremely reliable source" has informed the FBI that the LCN hierarchy "has already initiated discussions on the manner in which they hope to affect the outcome of the 1996 election process." Due to the sensitive nature of this source, the FBI is unable to provide any additional elaboration at present.

Salvatore "Sammy the Bull" Gravano, former Underboss of the Gambino LCN Family, now also a member of the federal Witness Security Program, has told the FBI that the Gambino Family has "a long-term strategic plan with regard to control of labor unions." Thus, the Family has established "lines of succession" with the aim of ensuring continued LCN control of unions, despite removal of individual LCN-affiliated labor officials.

Alphonse D'Arco, former Acting Boss of the Lucchese LCN Family, has confirmed that he was involved in or aware of various meetings of LCN members and associates concerning arrangements to support a slate of candidates for international office during the 1991 IBT election. D'Arco, moreover, confirmed that the Lucchese Family, at least, "is confident of its ability to co-opt members and officers of the union despite the accomplishments of the LIBERATUS [Teamsters civil RICO] investigation." D'Arco predicted that this process will continue "up to and beyond the 1996 election . . .."

d. Irrespective of any plans the LCN currently has for the 1996 election, the danger that Government abandonment of supervision may constitute a "green light" to corruption cannot be ignored.

B. <u>Labor Department Supervision</u>

1. The Consent Decree permits, but does not command, supervision of the 1996 election by an Election Officer or the Department of Labor ("DOL"):

> The union defendants consent to the Election Officer, at Government expense, to supervise the 1996 IBT elections. The union defendants further consent to the U.S. Department of Labor supervising any IBT elections or special elections to be conducted after 1991 for the Office of the IBT General President, IBT General Secretary-Treasurer, IBT Vice President, and IBT Trustee.

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2. In connection with the Election Officer's supervision of the 1991 election, representatives of this office met with DOL career personnel, including staff from the Office of Labor Management Standards, the Solicitor's Office, and a political appointee. DOL refused to provide any direct assistance for the supervision of the 1991 election, despite several requests.

3. DOL has been informed regarding the 1996 election issue, and has not offered any assistance.

a. Jerry Toner of OCRS spoke to John Kotch, the Acting Director of the Office of Labor-Management Standards, who informed him that it may be easier for the Department of Justice to persuade the Congress of the merits of funding the existing machinery established by the civil RICO consent decree than for DOL to seek additional funding for its more limited enforcement machinery under the LMRDA.

b. More recently, Toner advised DOL career personnel of JMD's preliminary view that DOL may be the "more appropriate agency" to supervise the election. The Assistant Secretary-designate (Manley) reportedly was sympathetic to providing advice and counsel to the election supervisors, but DOL personnel told Toner that they are preoccupied with obtaining funds to create a new "Office of the American Workplace" that will include the LMRDA investigators. This new office is an administration priority.

4. DOL's approach to election supervision does not accord with the circumstances of this case:

a. DOL generally takes a passive role, resolving election protests by members after they have exhausted all internal union mechanisms, and long after the election is completed. As the Election Officer has pointed out, that kind of supervision works, if at all, only where union members are already organized, persevering, and not intimidated, which is hardly the historical state of this union.

b. DOL does not approach election supervision from a law enforcement standpoint. Aside from a small group within DOL that aids in prosecution of labor racketeering cases, the vast bulk of the Department's personnel is not oriented toward fighting corruption.

5. Even assuming that DOL wanted to take up this project, it faces the task of finding personnel to perform the supervision. DOL spent six times the amount, on a per capita basis, to supervise the 1972 United Mine Workers election, involving 200,000 members, as the Election Officer spent to

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supervise the 1991 IBT election, which involved 1.6 million members. DOL supervision of the 1972 UMW election, moreover, required diversion of approximately 1,000 DOL employees from other tasks.

6. Handing the issue off to DOL is likely to kill the project. Planning for supervision must begin immediately.

C. Budget Requirements

1. The total costs for supervising the 1991 election amounted to approximately $21,167,000. If those base costs were simply increased by a 3.2% annual inflation rate, the cost of supervising the 1996 election, without any changes, would be $24,777,517.

2. Amy Gladstein, the new Election Officer, has worked closely with Michael Holland, the former Election Officer, to produce a "zero-based" budget for 1996, i.e., rather than assuming that all the costs incurred in 1991 must be duplicated in 1996, Gladstein and Holland have identified tasks associated with each phase of the election, and estimated the costs of performing each of those tasks. Gladstein's estimate of the total costs of supervision is $21,099,084. Roughly summarized, the tasks and costs are:

a. Fiscal 1994: $371,875
--Select core staff
--Review "Titan" system records maintained by IBT. (The Titan system keeps track of member eligibility to vote, based on paid up dues)
--Work with IBT on selection of convention site
--Engage consultant to plan logistics of delegate voting at convention
--Promulgate and publish eligibility rules
--Establish Election Office headquarters

b. Fiscal 1995: $1,646,350
--Select and train regional coordinators and staff
--Establish system for determining eligibility of members in locals not on Titan system
--Promulgate and publish rules for 1996 election
--Establish eligibility review procedure
--Establish protest investigation and review procedure
--Review accreditation of candidates
--Plan and conduct convention delegate nominations and elections (process continues into 1996)
--Resolve protests concerning rules, accreditation, and delegate elections

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c. Fiscal 1996: $11,611,709
--Certify delegates to convention
--Supervise convention and certification of candidates for general election
--Publish notice of general election
--Supervise campaign finance reporting
--Supervise access to New Teamster magazine
--Resolve protests concerning rules, accreditation, delegate elections, convention, eligibility, access to employer property, campaign finance, access to magazine

d. Fiscal 1997: $7,641,224
--Determine eligible voters for general election
--Mail ballots for general election
--Count ballots
--Resolve remaining protests
--Certify election results
--Record-keeping and reporting

Mr. ROGERS. We could almost buy us a new trucking outfit for that kind of money.

HEALTH CARE FRAUD

Now, you have notified the committee of your intent to allow up to 186 of the Deputy U.S. Attorneys and support people that have been assigned previously to investigate financial institutions fraud, to now be used to investigate health care fraud.

Mr. MOSCATO. Yes, sir.

Mr. ROGERS. That is a pretty good shift of personnel. Why is that necessary?

Mr. MOSCATO. It is a request for the flexibility to do that, and it is a function of what we have seen over the last several years in several districts. That is a drop in the need for financial institution bank fraud resources. Cases are dropping in some districts where they were originally allocated resources, and it could come to a rise in health care fraud. That is 25 percent of the total financial institution fraud resource.

FINANICAL INSTITUTION FRAUD CASES

Mr. ROGERS. Has the financial institution fraud cases workload been reduced by that much to allow that?

Mr. MOSCATO. Right now all we have on the docket is about a 5 percent request for a shift in allocation. This was an attempt to request this flexibility from the Congress.

Mr. ROGERS. Well, can we deal with the health care fraud question without taking the personnel from the financial institution fraud cases? I want to see you do the health care thing; I am just worried that we are going to lighten up on the S&L investigations.

Mr. MOSCATO. I think we have got options to use resources. This was one more attempt to open up an avenue of resources which had been closed. It wasn't an attempt to make the program go away or even to significantly drop it, but to be able to use some resources who have already got expertise in a fraud area, but that were absolutely, at least to this moment, anchored in the financial institution fraud area. We were looking for a little flexibility to use some of those resources.

Mr. ROGERS. Thank you.

Mr. MOSCATO. Thank you, sir.

Mr. MOLLOHAN. Thank you, Mr. Rogers. Mr. Moran, do you have any further questions?

Mr. MORAN. Well, let me just ask one quick area that I am a little puzzled by, unless it was already asked and that is the debt collection. Did you ask about the debt collection, what happened to the money?

Mr. MOLLOHAN. We talked about that.

Mr. MORAN. Fine. Okay. I will save the more insightful questions for the record, Mr. Chairman.

Mr. MOLLOHAN. Mr. Skaggs, do you have any other questions?

Mr. SKAGGS. No. Thank you.

Mr. MOLLOHAN. Thank you. We will have some questions to submit for the record, some questions about weed and seed and some questions about rent and across-the-board cuts. OMB can help you

answer them, maybe. Thank you very much for your testimony here this morning.

Mr. MOSCATO. Thank you, Mr. Chairman.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN ALAN B. MOLLOHAN

Weed and Seed

QUESTION: Ms. Sweeney, do you have a Weed and Seed site in your district, or are either you or Mr. Moscato familiar enough with the program to speak to its effectiveness?

I was surprised to learn from earlier testimony that a formal evaluation of the Weed and Seed program has never been made to determine its effectiveness. On face value it sounds like a wonderful concept, but can you provide any concrete evidence that it is making a difference, and that the funds are being used effectively?

For example, would the funds be better spent on Community Policing projects?

ANSWER: There is no funded Weed and Seed site in my District, however, Akron, Ohio is an officially recognized Weed and Seed site. This means that while no Federal funding is received, components of the Weed and Seed program, such as community policing have been established.

While I am not sufficiently familiar with the Weed and Seed program to speak to its programmatic effectiveness, included with this response is an interim evaluation of the program, issued in November 1993. The report was prepared under a contract issued by the National Institute of Justice, Office of Justice Programs. We also are including the March 1993 Report to Congress on Operation Weed and Seed, and the updates to that Report provided in the program's monthly Newsletter, In Sites. These reports describe the progress and accomplishments made in implementing Operation Weed and Seed. Finally, we have been informed that the U.S. General Accounting Office is reviewing the management and implementation of the Weed and Seed program at the request of the Information, Justice, Transportation, and Agriculture Subcommittee on Government Operations, House of Representatives. It is our understanding that the report is in progress.

[Clerk's note: The aforementioned reports are on file with the Committee.]

Community policing is an integral component of a Weed and Seed program which is to become the dominant form of policing at the site. Through this program, funds are being expended on Community Policing.

GSA Rent

QUESTION: Your FY 1995 request includes an 11 percent increase (+$14.5 million) for GSA rental payments. How much of this increase is for rate increases, and how much for additional space?

Are these increases based upon billings from GSA?

Considering the flat real estate market, why do you anticipated such a large increase?

ANSWER: Based on the inventory of space maintained in a new database the United States Attorneys' assigned space, including parking, will increase by 4 percent from 1994 to 1995.

Since 1988, the United States Attorneys have seen over a 50 percent growth in personnel resources. Expanded space to support the additional staff that have come on board since 1988 is just now coming on line. In addition, the courts are forcing the United States Attorneys out of courthouses all over the country. When relocating a United States Attorney's office into new space, new GSA/EOUSA space standards are considered which include needed support type space such as interview rooms, trial preparation rooms, and case file storage areas. In addition to obtaining new office space in leased locations, space must also be maintained within the courthouse for trial preparation purposes. Finally, we are included in the planning stages for the proposed construction of new courthouses; included in our occupancy requirements is an estimated 2-5 percent growth in personnel. All of these factors result in the increase in GSA rent funding required to support the Offices of the United States Attorneys.

Across-the-Board Cuts

DISCUSSION: There have been several attempts over the past year to mandate across-the-board cuts or general reductions against certain types of expenses as a way of offsetting additional spending. For example, an amendment was offered to the LA Earthquake Supplemental to rescind funds for travel, transportation, printing, other services, and supplies and materials.

QUESTION: Are such reductions as harmless as the amendment's proponents claimed?

Can you provide any specific examples of how such a cut would impact your mission?

ANSWER: The United States Attorneys have suffered reductions in administrative funds in FY 93 and 1994, and further reductions are contained in the FY 95 budget proposal. To this point these reductions have been absorbed without impact on our operating mission-litigation. However, the well is about to go dry. Reductions beyond those proposed will impact on our litigating activities. We would no longer be able to support our current level of litigation. Because the offices of the United States Attorneys have exhibited the ability to return to the U.S. Treasury, in full, the cost of conducting the majority of all Federal litigation, it would be foolish to limit our ability to both increase and protect the "coffers" of the United States.

A large portion of our operating expenses occur in categories which, for many agencies, are for administrative activities. Litigation expenses is a good example. Recent and past cases that are supported from these funds include the Ames, Noriega, BNL and other high profile and priority prosecutions.

Physical security costs continue to increase as threats are received and violence becomes a more common method of retribution. We could not ignore the need to provide secure facilities or personal protection of our AUSAs, but the funding would have to be found from other scarce availabilities.

Improvements to Office Automation requirements would be slowed or eliminated. Technological advances that increase productivity or the efficient management of reduced staffing would be lost. Every effort has been made to reduce the costs of Automated Legal Research. This essential service would have to be limited or discontinued. Automated Legal Research required for document intensive and complex litigation cannot be met without sufficient resources.

QUESTION: Do the reductions of $4.1 million for "Administrative Savings" and $4.4 million to absorb locality pay in your FY 1995 request come out of the aforementioned types of expenses?

ANSWER: As indicated above, many of our expenses are in categories which for many agencies are administrative monies. Because such a large portion of our budget goes to salaries and litigation expenses, our maneuverability is limited. Few if any other sources of funding are available which can absorb additional costs.

TUESDAY, APRIL 19, 1994.

UNITED STATES TRUSTEE SYSTEM FUND

WITNESSES

WILLIAM F. BAITY, ACTING DIRECTOR
DAVID McCRACKEN, DEPUTY ASSISTANT DIRECTOR FOR BUDGET AND FINANCE
STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION
MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER
ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

OPENING STATEMENT

Mr. MOLLOHAN. Continuing with our review of the Department of Justice, we will now hear testimony concerning the United States Trustee System Fund. The Trustee System requests total new budgetary authority of $106.657 million for fiscal year 1995, of which $40.815 million will be derived from offsetting fee collections.

The Committee is pleased to welcome the Acting Director of the U.S. Trustee System Fund, Mr. William Baity. Mr. Baity, your biographical material and statement will be inserted into the record. We appreciate your appearance here today.

We would like to welcome you and the person who is at the table with you, with your introduction of him.

[The justification follows:]

Department of Justice

United States Trustee System Fund

Estimates for Fiscal Year 1995

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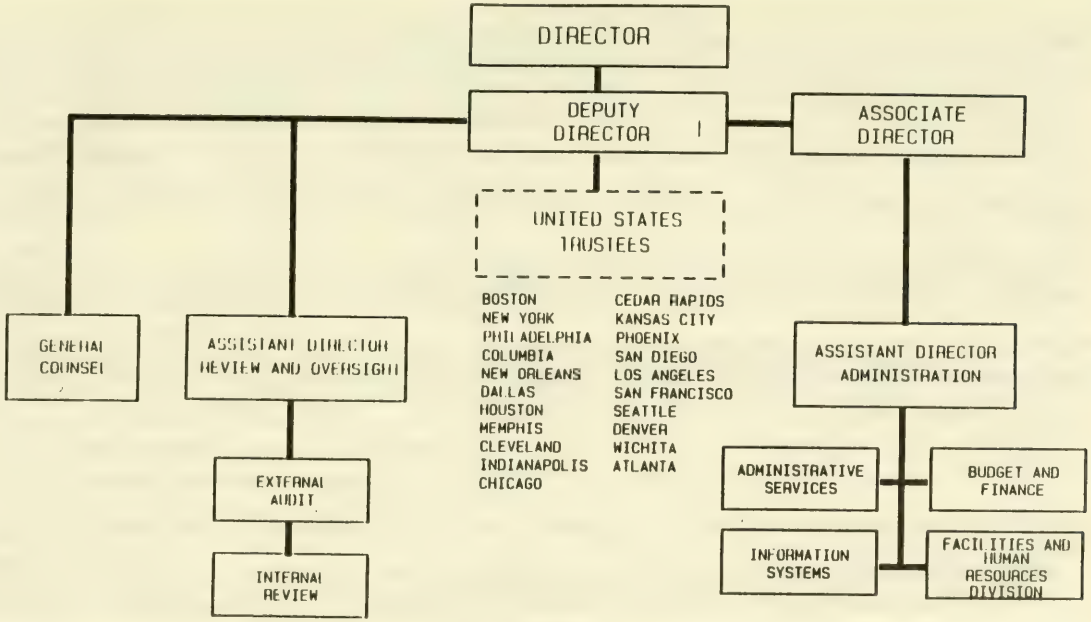
EXECUTIVE OFFICE FOR UNITED STATES TRUSTEES



Approved: Janet Reno Date: 1/23/94

JANET RENO
Attorney General

1

United States Trustee System Fund

Salaries and Expenses

Summary Statement

Fiscal Year 1995

The United States Trustee System Fund ("the Fund") for 1995 is requesting a total of 1,162 permanent positions (including 217 attorneys), 1,091 workyears, and $106,657,000. The request includes 799 positions (142 attorneys), 761 workyears and $65,842,000 in **direct authority** and 363 positions (75 attorneys), 330 workyears and $40,815,000 in **offsetting collections**.

The 1995 request represents a net increase of 23 positions (8 attorneys), 3 workyears and $3,707,000 over the Program's 1995 base funding level, comprised of the following:

(1) An increase in **offsetting collections** of 35 positions, 18 workyears and $1,939,000;

(2) a **direct authority** increase of $3,852,000; and

(3) two reductions in **direct authority** -- a program reduction of $635,000 associated with the absorption of locality pay and a reduction of 12 positions, (2 attorneys), 15 workyears and $1,449,000 to meet the personnel levels established by the Administration for 1995. As the United States Trustee Program implements the personnel changes reflected in this budget for FY 1994 and 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

PROGRAM MISSION: The mission of the United States Trustee Program ("the Program") is to preserve the integrity of the bankruptcy system by establishing a uniform regulatory framework that monitors participants in the process, by firmly enforcing compliance with applicable laws, and by efficiently and effectively executing the administrative aspects of the system.

The Program carries out its mission through two basic areas of responsibility. The first is the non-discretionary tasks of moving the growing volume of bankruptcy cases through the court. The second is regulatory in nature and focuses on ensuring that private trustees and debtors adhere to the standards of the law.

HISTORICAL PERSPECTIVE: The Bankruptcy Reform Act of 1978 established the United States Trustee Program on a pilot basis in 18 Federal judicial districts. In 1986, the Congress enacted the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986 (P.L. 99-554) expanding the United States Trustee Program to 88 Federal judicial districts. The major thrust of these nationwide reforms was to separate the adjudicative and administrative functions in bankruptcy cases and establish one accountable agency with responsibility for the administration of bankruptcy estates. To understand the progress the Program has made, one must first comprehend the enormous bureaucratic obstacles the Program has encountered in the effort to bring accountability to the system. Bankruptcy roots date back to the beginning of our nation, as it is provided for in the Constitution. Prior to the enactment of the United States Trustee Program, bankruptcy evolved in an amorphous system that offered little oversight or regulation.

The Program has expended substantial efforts to create structures of accountability with regard to private trustees appointed to administer bankruptcy estates and debtors. Despite these efforts, both the Office of Management and Budget (OMB) and the Department of Justice Inspector General have recognized the need to increase supervision in the area of trustee oversight. Judges cite the need to police debtors-in-possession in the large number of cases without active creditor interest. Moreover, the Congress continues to stress the need for enhanced oversight, specifically as it relates to the Program's fundamental obligation to review the applications for fees of trustees and professionals and to ensure that they are appropriate and proper. The demand that trustees and professionals perform services for the bankruptcy estate that do not drain its assets is a foundation of the law.

Bankruptcy is a public process. The perception that self-interest is pursued to the detriment of a fair and efficient resolution process has a legitimate premise. Whether it be private trustees who betray their fiduciary duties, debtors who ignore their statutory obligations, or professionals who pursue only financial reward, the number of incidents is significant. Any government process is ultimately dependent upon public confidence. The challenges the Program faces require additional effort to reinstill the trust the law intends.

1995 INITIATIVES: For 1995, the Program is requesting an increase of 35 positions (10 attorneys), 18 workyears and $5,791,000. This request includes an increase of $3,852,000 in **direct authority** and 35 positions, 18 workyears, and $1,939,000 in **offsetting collections** for 2 initiatives: (1) Trustee Supervision/Debtor Fraud and (2) Chapter 11 Case Supervision. The initiative is offset by FTE savings of 12 positions (2 attorneys), 15 workyears, and $1,449,000 and a program decrease of $635,000 required for the absorption of locality pay increases.

Trustee Supervision/Debtor Fraud: The Program's request includes $3,852,000 in **direct authority** for the Administration of Cases decision unit to fund the continuation of the Program's Trustee Supervision/Debtor Fraud initiative. The initiative includes $3,095,000 to supplement current audit capability necessary to detect financial irregularities that are an indication of fraud and $757,000 to provide increased automated support for the initiative.

The requested enhancement will enable the Program to carry out its unique function of overseeing the administration of bankruptcy cases and to continue the progress it has made in assuring that private trustees are subject to close supervision, adhere to strict fiduciary standards, and act to maximize the distribution of estate assets to creditors. It will assure that violations of criminal laws by both trustees and debtors are referred to the Federal Bureau of Investigation and the United States Attorneys for investigation and prosecution.

Chapter 11 Case Supervision: The Program is requesting 35 positions (10 attorneys), 18 workyears and $1,939,000 in **offsetting collections** to enhance its ability to carry out its Chapter 11 Case Supervision responsibilities, including bringing the cases to a more efficient and effective resolution by requiring that debtors meet their responsibilities, the oversight of professional fees, and the post confirmation process. The resources for the Program's chapter 11 responsibilities have been severely strained as existing resources were redirected to the high risk area of trustee mismanagement and debtor fraud. Yet, these responsibilities are critical if the Program is to achieve its goal of maximizing the distribution to creditors of estate assets.

The public's increasing dissatisfaction with the high cost of bankruptcy threatens the continued viability of the entire bankruptcy system. It is essential that the Program provide the regulatory oversight necessary to bring cases to a faster resolution, to ensure that fees charged by professionals in bankruptcy cases are reasonable, and that a debtor receiving a court approved reorganization plan fulfills its obligation to successfully implement that plan. The Program's ability to perform these responsibilities is aggravated by the time-consuming nature of the tasks and staffing shortages.

The personnel increases included in the 1995 budget request will have a positive impact on the Program's ability to address its regulatory responsibilities in the areas of bankruptcy fraud and chapter 11 case supervision rather than the nondiscretionary tasks of simply moving the growing volume of bankruptcy cases through the court.

U.S. TRUSTEE SYSTEM FUND: The self-funding characteristic of the United States Trustee Program was a feature of Public Law 99-554 enacted on October 27, 1986. Two categories of fees generate almost all of the revenue for the United States Trustee System Fund. The first category is the filing fee paid at the inception of each case for chapters 7, 11, 12 and 13. The second category is the quarterly fees paid by chapter 11 debtors for which the amounts paid are determined by cash disbursement levels of the debtor.

Payment of excess percentage fees collected by chapter 12 or 13 standing trustees and interest on invested funds also generate revenue for the Fund. Revenue in the Fund that is not needed for current expenses is invested in Treasury securities, and the income so earned accrues to the Fund. This investment income, thus, increases the Fund's revenue and minimizes the financial burden on the users of the System.

The 1992 Appropriations Act ("the 1992 Act") amended the fee structure relative to chapter 11 bankruptcy cases, by increasing both the filing fees paid by debtors at the inception of the case, as well as the fee paid on a quarterly basis. The increased amounts paid by chapter 11 debtors are deposited in the Fund as offsetting collections. Importantly, the 1992 Act established the authority to use the revenues generated from the increased fees to provide additional resources to support the Program.

The offsetting collections funding provided an overall increase in necessary resources for the Program, although the 1992 direct appropriation was reduced to $57,221,000. The increased chapter 11 fees generated $25,954,000 in 1992, of which the program had access to $23,961,000. In 1993, offsetting collections receipts totaled $34,070,000, but the Program had access to $35,813,000 -- $32,300,000 as specified in the 1993 Appropriations Act and $3,513,000 through a reprogramming of excess 1992 and 1993 offsetting collections. It is estimated these fees will generate $37,487,000 in 1994. Without a change in the law, it is expected that revenue from offsetting collections in 1995 will decline as a result of a recent decrease in the number of chapter 11 filings.

The intent of Congress in establishing the Fund was that user fees would completely finance the United States Trustee Program and not be used as a mechanism to generate revenues for the United States Treasury. However, section 589a of title 28 United States Code, provides that revenues in the Fund will transfer to the general treasury if the Fund exceeds a percentage of the Program's appropriation. On November 1, 1990, $6,398,000 was required to be transferred from the Fund to the general fund of the Treasury; on November 1, 1992, a transfer of $24,470,000 was required, and on November 1, 1993, the Program was required to transfer $15,287,000. It is a bitter irony that the Program is faced with transferring huge amounts of monies to the general fund when these resources are critically necessary to meet the Program's responsibilities.

USER FEE PROPOSAL: The Program is proposing to fund its chapter 11 case supervision initiative through increases in chapter 11 filing and quarterly fees which will be deposited as offsetting collections in the United States Trustee System Fund. The proposal will require changes to Title 28, Section 1930, United States Code and the Program's authorizing statute (28 U.S.C. 589a). The proposed fee increases are related to the 1995 case supervision program increase and will permit the United States Trustee Program to undertake additional chapter 11 responsibilities without adversely affecting the deficit.

An increase in the chapter 11 filing fee of $100 will provide an estimated additional $1,847,000. A proposed increase in the quarterly fees from $5,000 to $8,000 for those chapter 11 debtors with quarterly disbursements exceeding $3,000,000 per quarter will provide an estimated additional $3,288,000.

United States Trustee System Fund

Justification of Proposed Changes in Appropriation Language

The 1995 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

United States Trustee System

For the necessary expenses of the United States Trustee Program, [$99,000,000]^ $106,657,000
as authorized by 28 U.S.C. 589a(a), to remain available until expended,
for activities authorized by section 115 of the Bankruptcy Judges, United States
Trustees, and Family Farmer Bankruptcy Act of 1986 (Public Law 99-554),
of which [$61,513,000]^ shall be derived from the United States Trustee $65,842,000
System Fund: Provided, That deposits to the Fund are available in such
amounts as may be necessary to pay refunds due depositors:
Provided further, That, notwithstanding any other provision of law,
not to exceed [$37,487,000]^ of offsetting collections derived from fees $40,815,000
collected pursuant to section 589a(f) of title 28 United States Code, as
amended by section 111 of Public Law 102-140 (105 Stat. 795)^, shall be and section 111 of Public Law 103-121
retained and used for necessary expenses in this appropriation: Provided further, (107 Stat. 1153)
That the [$99,000,000]^ herein appropriated shall be reduced as such offsetting $106,657,000
collections are received during fiscal year [1994]^, so as to result in a 1995
final fiscal year [1994]^ appropriation estimated at not more than 1995
[$61,513,000]^: Provided further, That any of the aforementioned fees $65,842,000
collected in excess of [$37,487,000]^ in fiscal year [1994]^ shall $40,815,000
remain available until expended, but shall not be available for 1995
obligation until October 1, [1994]^. 1995

(12 U.S.C. 1904b; Public Law 103-121, the Department of Justice and Related Agencies Appropriations Act, 1994

Explanation of changes

No substantive changes proposed.

United States Trustee System Fund
Salaries and expenses
Crosswalk of 1994 changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Adjustment for Non-Ceiling Workyears			Reprogrammings			1994 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
DIRECT AUTHORITY:															
1. Administration of Cases.....	716	667	$51,393	42	47	$3,535	...	11	...	...	...	...	758	725	$54,928
2. Management and Administration.....	48	45	5,957	5	5	628	...	1	...	...	...	...	53	51	6,585
Total.....	764	712	57,350	47	52	4,163	...	12	...	...	...	...	811	776 *	61,513
OFFSETTING COLLECTIONS:															
1. Administration of Cases.....	326	310	$35,651	...	...	...	...	...	...	...	...	...	326	310	$35,651
2. Management and Administration.....	2	2	1,836	...	...	...	...	...	...	...	...	...	2	2	1,836
Total.....	328	312	37,487	...	...	...	...	...	...	...	...	...	328	312	37,487
TOTAL AUTHORITY:															
1. Administration of Cases.....	1,042	977	$87,044	42	47	$3,535	...	11	...	...	...	...	1,084	1,035	$90,579
2. Management and Administration.....	50	47	7,793	5	5	628	...	1	...	...	...	...	55	53	8,421
Total.....	1,092	1,024	94,837	47	52	4,163	...	12	...	...	...	...	1,139	1,088	99,000

The United States Trustee Program is absorbing $1,905,000, three-quarters of the locality pay increase in 1994. This required absorption of locality pay will diminish the ability of the Program to implement enhancements to the Trustee Supervision/Debtor Fraud Initiative approved by the Congress for FY 1994.

*FY 1994 workyears have been adjusted subsequent to the submission of the President's Budget to reflect the change in non-ceiling workyears.

United States Trustee System Fund
Salaries and Expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	WY	Amount
1994 as enacted	1,139	1,076	$99,000
1994 adjustment for non-ceiling workyears	...	12	...
1994 appropriation anticipated	1,139	1,088	99,000
Transfer of mail messenger operations	...	...	17
Mandatory increases	...	...	4,171
Non-policy decreases	...	...	(238)
1995 base	1,139	1,088	102,950

Estimates by budget activity	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Direct Authority:												
1. Administration of Cases	758	725	$54,928	758	725	$57,219	747	711	$59,177	(11)	(14)	$1,958
2. Management and Administration	53	51	6,585	53	51	6,855	52	50	6,665	(1)	(1)	(190)
Total	811	776	61,513	811	776	64,074	799	761	65,842	(12)	(15)	1,768
Offsetting Collections:												
1. Administration of Cases	326	310	$35,651	326	310	$36,901	361	328	$38,840	35	18	$1,939
2. Management and Administration	2	2	1,836	2	2	1,975	2	2	1,975	...	...	...
Total	328	312	37,487	328	312	38,876	363	330	40,815	35	18	1,939
Total Authority:												
1. Administration of Cases	1,084	1,035	$90,579	1,084	1,035	$94,120	1,108	1,039	$98,017	24	4	$3,897
2. Management and Administration	55	53	8,421	55	53	8,830	54	52	8,640	(1)	(1)	(190)
Total	1,139	1,088	99,000	1,139	1,088	102,950	1,162	1,091	106,657	23	3	3,707

United States Trustee System Fund

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

Estimates by Program	1993 Appropriation Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
DIRECT AUTHORITY																		
1. Administration of Cases	726	682	$51,303	726	682	$53,072	758	725	$54,928	758	725	$57,219	747	711	$59,177	(11)	(14)	$1,958
2. Management and Administration	49	46	5,918	49	46	6,115	53	51	6,585	53	51	6,855	52	50	6,665	(1)	(1)	(190)
Total	775	728	57,221	775	728	59,187	811	776	61,513	811	776	64,074	799	761	65,842	(12)	(15)	1,768
OFFSETTING COLLECTIONS																		
1. Administration of Cases	326	422	$30,721	326	425	$33,935	326	310	$35,651	326	310	$36,901	361	328	$38,840	35	18	$1,939
2. Management and Administration	2	15	1,579	2	15	1,878	2	2	1,836	2	2	1,975	2	2	1,975	...	...	...
Total	328	437	32,300	328	440 *	35,813	328	312	37,487	328	312	38,876	363	330	40,815	35	18	1,939
TOTAL AUTHORITY																		
1. Administration of Cases	1,052	1,104	$82,024	1,052	1,107	$87,007	1,084	1,035	$90,579	1,084	1,035	$94,120	1,108	1,039	$98,017	24	4	$3,897
2. Management and Administration	51	61	7,497	51	61	7,993	55	53	8,421	55	53	8,830	54	52	8,640	(1)	(1)	(190)
Total	1,103	1,165	89,521	1,103	1,168	95,000	1,139	1,088	99,000	1,139	1,088	102,950	1,162	1,091	106,657	23	3	3,707
Other Workyears:																		
Overtime:																		
AUO		0			0			0			0			0			0	
Other		5			5			5			5			5			0	
Total compensable workyears		1,170			1,173			1,093			1,093			1,096			3	

*FY 1993 workyears have been adjusted since the submission of the President's budget to reflect the number of personnel which can be supported through offsetting collections fee account.

United States Trustee System Fund

Salaries and Expenses

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Administration of Cases

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Direct Appropriation....	758	725	$54,928	758	725	$57,219	747	711	$59,177	(11)	(14)	$1,958
Offsetting Collections..	326	310	35,651	326	310	36,901	361	328	38,840	35	18	1,939
Total.....	1,084	1,035	90,579	1,084	1,035	94,120	1,108	1,039	98,017	24	4	3,897

This budget activity provides resources for the primary mission of the United States Trustee Program, safeguarding and strengthening the integrity of the Nation's bankruptcy system. Funds requested for the Administration of Cases support personnel in 21 regions and 93 district offices throughout the country.

LONG-RANGE GOALS: In creating the United States Trustee Program, Congress cited the necessity for establishing an accountable agency "to afford bankruptcy litigants, the fair and impartial justice to which all other litigants in the federal courts are entitled" (H. Rept. 595, 95th Cong., 1st Sess. 91(1977)). Within this broad responsibility, the primary goals of the Program are:

To assure that bankruptcy cases are administered expeditiously and that all parties comply with their legal obligations.

To assure that an appropriate number of qualified individuals are fairly and impartially recruited and appointed to serve as private trustees.

To assure that private trustees adhere to strict fiduciary standards and act to maximize distribution to creditors.

To assure that private trustees are subject to close supervision through consistent national standards and policies.

To assure that private trustees comply with Program requirements through training, reporting requirements, financial audits, evaluations and investigations.

To assure that violations of applicable criminal laws are referred to law enforcement and regulatory agencies.

To assure that the cost of the administration of bankruptcy cases is adequately monitored to minimize the dissipation of estates.

BASE PROGRAM DESCRIPTION: The Bankruptcy Reform Act of 1978 established the United States Trustee Program on a pilot basis in 18 Federal judicial districts. In 1986, the Congress enacted the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986 (P.L. 99-554) expanding the United States Trustee Program to 88 Federal judicial districts. The major thrust of these nationwide reforms was to separate the adjudicative and administrative functions in bankruptcy cases and establish one accountable agency with responsibility for the administration of bankruptcy estates. The Program completed the expansion in 1989 under the transitional provisions of the 1986 expansion legislation. Currently, the Program operates 93 United States Trustee offices nationwide which are responsible for the oversight of the administration of over one million pending bankruptcy cases.

The bankruptcy process, both historically and presently, is largely entrusted to private individuals. Whether a chapter 7 (liquidation) case, where assets, if any, are distributed to creditors; a chapter 11 (reorganization) case, where a debtor seeks to restructure its financial affairs; or a chapter 12 (family farmer) or chapter 13 (wage earner) case, where debtors seek to repay their debts, the individual directly responsible for the administration of a particular case is appointed by the United States Trustee, except in the case of chapter 11 where the debtor remains in possession. The United States Trustee supervises the conduct of these private trustees and debtors and generally ensures that the interests of the parties are not abridged during the pendency of the cases.

The mission of the Program is to preserve the integrity of the bankruptcy system by establishing a uniform regulatory framework that monitors participants in the process, by firmly enforcing compliance with applicable laws, and by efficiently and effectively executing the administrative aspects of the system. A primary goal of the Program is to bring reality to the opportunity for creditors to share in the remaining assets of the debtors. This requires that these assets neither be concealed by debtors nor dissipated by private trustees or excessive professional fees. This supervisory responsibility mandates that a debtor's circumstances be scrutinized, and that all assets be included in the estate. To the degree that discrepancies exist, further investigation must be undertaken. Similarly, accountability structures have been put in place with regard to private trustees. Background investigations, reporting requirements and audits have been implemented. Cases can now be monitored to ensure not only that estate monies are not converted, but that the fiduciary standards of the law are upheld.

Despite the Program's efforts to create structures of accountability with regard to private trustees, both the Office of Management and Budget and the Department of Justice Inspector General have stressed the need to increase supervision in the area of trustee oversight. Judges cite the need to police debtors-in-possession in the large number of cases without active creditor interest. Moreover, the Congress continues to stress the need for enhanced oversight, specifically as it relates to the Program's fundamental obligation to review the applications for fees of trustees and professionals and to ensure that they are appropriate and proper. The demand that trustees and professionals perform services for the bankruptcy estate that do not drain its assets is a foundation of the law.

ACCOMPLISHMENTS AND WORKLOAD:

Administration of Cases:	1988 Actual	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Actual	1994 Est.	1995 Est.
1. Chapter 7								
a. # of Filings.	431,231	464,375	521,360	638,504	684,866	621,071	621,071	621,071
b. # of Pending (end-of-year). . .	382,036	404,823	435,765	497,087	498,015	414,765	414,765	414,765

Administration of Cases:	1988 Actual	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Actual	1994 Est.	1995 Est.
2. Chapter 11								
a. # of Filings.	18,279	17,623	20,067	23,508	23,312	20,111	20,111	20,111
b. # of Pending (end-of-year). . .	78,474	76,876	78,607	83,474	85,602	78,602	78,602	78,602
3. Chapter 12								
a. # of Filings.	2,528	1,608	1,320	1,460	1,625	1,355	1,355	1,355
b. # of Pending (end-of-year). . .	6,672	7,225	7,433	7,063	6,603	5,751	5,751	5,751
4. Chapter 13								
a. # of Filings.	152,695	173,318	207,211	255,484	267,631	254,667	254,667	254,667
b. # of Pending (end-of-year). . .	361,014	403,622	471,422	563,357	634,141	659,470	659,470	659,470
5. Total Cases								
a. # of Filings.	604,733	656,924	749,958	918,856	977,434	897,204	897,204	897,204
b. # of Pending (end-of-year). . .	828,196	892,546	993,227	1,150,981	1,224,361	1,158,588	1,158,588	1,158,588

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administration of Cases									
Direct Authority.....	758	725	$57,219	747	711	$59,177	(11)	(14)	$1,958
Offsetting Collections.....	326	310	36,901	361	328	38,840	35	18	1,939
Total.....	1,084	1,035	94,120	1,108	1,039	98,017	24	4	3,897

PROGRAM DECREASE: The budget request includes a program decrease of $571,000 in **direct authority** associated with the requirement that the 1994 locality pay increase be absorbed and a program decrease of 11 positions (2 attorneys), 14 workyears and $1,323,000 in **direct authority** required to meet personnel levels established by the Administration in 1995. As the United States Trustee Program implements the personnel decreases reflected in this budget, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

These additional reductions present serious challenges. The original staffing structure at the Program's nationwide expansion in 1987-1989, did not envision many of the Program's current core responsibilities. Neither was the dramatic increase in bankruptcy filings -- 77 percent from 1986 to 1993 -- taken into account when staffing levels were determined. The explanation of these challenges is not intended to absolve the Program of the responsibility of taking the mandated reductions; rather, it is intended to clarify why the reductions are not easily implemented.

While bankruptcy filings have begun to decline, the pending caseload continues to exceed one million cases with chapter 7 filings in excess of 621,000 cases. Moreover, it is in the chapter 7 area where significant resources are required for trustee supervision and the detection of bankruptcy fraud on the part of debtors. A decline in resources will force the Program to prioritize and delay the implementation of its regulatory responsibilities in order to meet its

nondiscretionary responsibilities of moving the large case volume through the bankruptcy court and bringing these cases to resolution. Examples of these non-discretionary responsibilities include holding meetings where creditors may inquire of debtors' circumstances, appointing trustees, assuring that cases are closed, and reviewing the accounts of trustees when cases are closed.

The ability to absorb further decreases is aggravated by the fact that the Program has already taken significant steps to reduce spending:

* Non-operational travel has been cut drastically and operational travel has been reduced by 15 percent. Conference attendance has been reduced by 75 percent.

* Training has been reduced and personnel have been required to train within region in order to reduce training costs.

* Space relocations have been limited to those which are absolutely necessary, such as lease expirations or moves for health and safety reasons,

* Furniture and equipment purchases have been cancelled or delayed.

* Reductions have been incurred in communications, with a decrease in the number of regular telephone and data transmission lines.

* Action has been taken to reduce personnel costs. Only overtime requests that meet program priorities are being approved. Vacancies in many offices have not been filled. Awards for outstanding employee performance have been reduced, both in number and dollar amount.

The United States Trustee Program is an agency that has reorganized to do "more with less". The Program has consistently strived to improve its efforts in the pursuit of effective oversight of bankruptcy case administration. In the past two years, new initiatives have been implemented to strengthen private trustee supervision as well as chapter 11 case administration. There is a limit, however, to what can be achieved in a climate of relatively diminished capacity. Lack of adequate staff and resources will affect the Program's critical regulatory and supervisory responsibilities in the areas of (1) trustee oversight; (2) overall case supervision, including case closing; (3) detecting concealed assets and rectifying debtor fraud; (4) the number and quality of audits and follow-up reconstructions which can be performed; (5) professional fee review; and (6) assuring that chapter 11 debtors meet their obligations, particularly court-ordered reorganization plans. If these regulatory responsibilities cannot be performed or must be cut back, the ultimate loser is the Federal Treasury. The Federal Government is the largest creditor in the bankruptcy process and, accordingly, is hardest hit by undetected bankruptcy fraud and mismanagement. Moreover, it also loses the tax revenue which creditors would generate if they received that which is due them under an effective bankruptcy system.

If faced with reductions in fiscal year 1995, the Program may have to consider closing some of its offices and eliminating some of its rooms where mandatory meetings of creditors are held throughout the country. The Program recognizes that the possibility of closing offices and meeting rooms will have a disproportionate effect on poor debtors who will have to travel further to attend meetings of creditors and incur greater expense in the process.

Unfortunately, the Program's options for savings are extremely limited by the mandatory nature of many of its responsibilities and the fact that numerous efficiencies have already been effected. Substantial progress has been made in bringing reform to the bankruptcy system. If forced to operate without adequate resources, much of that progress will be lost.

PROGRAM INCREASES: In 1995, increases of 35 positions (10 attorneys), 18 workyears and $5,791,000 are requested to carry out initiatives in the areas of Private Trustee Supervision/Debtor Fraud and Chapter 11 Case Supervision. This includes $3,852,000 in **direct authority** and 35 positions (10 attorneys), 18 workyears and $1,939,000 in **offsetting collections** Included in the proposed increases are $3,095,000 to supplement the Program's current audit capability and $757,000 to provide increased automated support for the initiatives. The increases are proposed to be partially offset by an increase in the chapter 11 filing fees of $100. An increase in the chapter 11 quarterly fee from $5,000 to $8,000 is also proposed for those debtors with quarterly disbursements exceeding $3,000,000 per year.

The personnel increases requested for 1995 will have a positive impact on the Program's ability to address its regulatory responsibilities in the areas of trustee supervision/bankruptcy fraud and chapter 11 case supervision, rather than the nondiscretionary tasks of simply moving the volume of bankruptcy cases through the court. The following table displays the effect of the requested investments on the case filing/staff ratio.

	Current	Proposed	Difference
Cases filed/Program staff	787	772	(15)
Cases filed/Attorney	4,293	4,134	(158)
Cases filed/Analyst	4,625	4,442	(183)
Cases filed/Paralegal	3,802	3,603	(199)

Trustee Supervision/Bankruptcy Fraud: An increase of $3,852,000 in **direct authority** is requested in 1995 for the Program's Private Trustee Supervision/Bankruptcy Fraud Initiative. This includes $3,095,000 for audit capability and $757,000 to provide increased automated support for the initiative.

Trustee Supervision: The 77 percent increase in bankruptcy filings from the Program's expansion in 1986 through 1992 has exhausted its ability to provide comprehensive oversight to the private trustees who handle the billions of dollars in bankruptcy estates. The Program has built and recently refined the necessary regulatory framework for supervising trustees. In fiscal year 1992, the Program revised its policy for supervising chapter 7 cases. This new policy directive fundamentally enhanced the overall structure of accountability in chapter 7 cases. Trustee supervision is a multi-faceted process. Program personnel have assumed new responsibilities of scrutinizing private trustee reports, personally following up on audit reports, ensuring that old cases are closed and initiating enforcement actions against private trustees and debtors who do not comply with the law's requirements. The manner in which estates are administered as well as the return to creditors are among the enumerated factors by which trustees are now evaluated. New policy directives for the supervision of chapter 13 standing trustees were developed in 1993. The Trustee Supervision Initiative is intended to send a strong message that the United States Trustee Program will take enforcement action against those individuals who fail to uphold their fiduciary responsibilities and violate the public trust.

Since the implementation of its trustee supervision initiative, the Program has made strides in uncovering wrong doing by trustees and their employees. Convictions are up by 70 percent since 1992. Similarly, resignations and suspensions of trustees who have filed to uphold fiduciary standards increased by 75 percent from 1992-1993 and motions filed with the court to remove a trustee have increased by 36 percent over the same time period.

The closing of old cases is an important component of the trustee supervision initiative. Failure to close cases in a reasonable period has proven to be a major indicator of misappropriation. Significant progress was made in 1992 and 1993 in ridding the court dockets of thousands of cases filed in the 1980s. In January 1992, there were 33,132 chapter 7 cases filed prior to 1989 that remained open. By October 1993, this number had been reduced to 4,355 through the Program's efforts. While the backlog of old cases is the most overt, widespread symbol of the problem of trustee mismanagement, its reduction does not mean that the Program's work is complete. The Program must now turn its attention to the myriad of other examples of trustee mismanagement which have been identified by both the Inspector General and the Program's own staff.

The Program's recent successful efforts are tempered by the immense challenges which remain. A September 1992 audit report of the Department of Justice Inspector General identified weaknesses by private trustees which required followup by Program staff in 116 of the 118 chapter 7 reviews examined in their audit of the Program's efforts. These weaknesses included: (1) commingled funds, (2) receipts not deposited, (3) funds deposited in unauthorized accounts, (4) use of unauthorized depository, (5) inadequate oversight by the trustee of cash handling duties, (6) no supporting documentation for receipts or disbursements, (7) estate funds improperly invested, (8) insufficient bond coverage, (9) funds not deposited timely, (10) slow case closing, (11) estate assets unaccounted for, (12) transactions not accurately recorded,
(13) estate files significantly disorganized (14) non-existent, inaccurate, or incomplete interim reports, (15) asset disposition not traceable to source documents, (16) disbursements without court order, and (17) missing bank statements.

Unfortunately, stagnant funding and skyrocketing workloads have impeded the Program's full implementation of its trustee supervision initiatives. Each new activity undertaken by the Program, such as the expanded emphasis on seeking out and referring criminal activities by private trustees, their employees or debtors, comes at the cost of performing a review of a private trustee's semiannual report, examining and objecting to fee applications, or some other supervisory mechanism. Each potential embezzlement or enforcement action consumes hundreds of staff hours which are not then devoted to confronting other private trustees on audit findings or contacting a bank which filed an incomplete report. Enforcement priorities have had to be established with action on many cases delayed until staff are available to develop the fact base, the audit schedule has been delayed, and training efforts have been refocused on the most vital areas, leaving important issues to be addressed in the future. Failure to adequately support the Program's trustee supervision initiative will have a significant impact on the Federal Government's ability to prosecute bankruptcy fraud.

<u>Audits</u>: The enhancement includes $3,095,000 to supplement the Program's audit capability. Audits are the starting point for determining the adequacy of a trustee's financial management, internal control procedures and organizational support. They include the tracking of assets, the in-depth review of internal controls, an examination of actual cases, and third-party confirmations to validate whether creditors actually received a distribution from the estate. The increase in convictions of private trustees during the last two fiscal years in many instances resulted from deficiencies originally identified by audits.

As the General Accounting Office noted in its January 1993 report on Bankruptcy Trustee Fraud:

> "Most criminal actions by trustees are discovered through audits related to the trustee's failure to file reports and close cases. In many instances a financial reconstruction must be done of all the trustee's cases. This consists of an examination of each bank account maintained by the trustee for each estate. For each bank account, all financial documentation must be examined, including all bank statements, canceled checks, and deposit slips. Further, inspection of the trustee's personal accounts must be conducted in a similar manner."

The audit process is personnel intensive and time consuming. While the goal of the Program is to audit chapter 7 trustees every 3 years, funding limitations have reduced this cycle to every 4 years. Once an audit is performed, substantial resources must be committed toward ensuring that the private trustee takes corrective actions. The General Accounting Office (GAO) in its January 1993 review of trustee fraud noted that an audit of a panel trustee in the Northern District of California took more than 2.5 years to complete and required the examination of 2,000 bank statements, 5,600 canceled checks, and 450 deposit slips. That audit revealed embezzlement of estate funds in 117 cases totaling $1.9 million. Moreover, until 1991, the "audits" performed by the Inspector General were more office surveys than true audits because most trustees did not maintain auditable records. Accordingly, the overwhelming number of trustees with open cases have never been subject to a thorough and impartial audit.

Debtor Fraud: A second area of bankruptcy fraud is where debtors, invoking the protection of the bankruptcy laws, defraud creditors by embezzling or concealing assets of the estates. When evidence of criminal conduct is found, the Program has a statutory responsibility to develop and refer such evidence to the United States Attorney for prosecution.

The process of detecting debtor fraud and building a case for referral to the United States Attorney is intensive. To ascertain whether a debtor has committed fraud in the filing of bankruptcy requires questioning a myriad of individuals, discovering and comparing financial information submitted to various creditors with that submitted as part of the bankruptcy process, reviewing income tax returns and insurance policies, and obtaining civil subpoenas to obtain bank account and credit line information. It is the United States Trustee's obligation to examine a debtor's declaration of assets and depose the debtor under oath with regard to financial circumstances. With adequate resources, United States Trustee personnel are able to analyze financial transactions and pursue contradictions that emerge, thereby confronting unscrupulous debtors.

The Program's role in overseeing debtors' actions is essential to the successful prosecution of debtor fraud. It does not duplicate the efforts of other law enforcement or prosecution agencies. Rather, it bolsters those efforts by focusing on discrete areas (or information or materials) which the Program's attorneys and financial analysts have the unique ability to confront. Their activities are part of the normal supervision provided by the Program to ensure that bankruptcy cases move toward resolution and that basic financial information is disclosed. The contradictions reflected by a debtor's financial documents, as well as those made by the debtor when examined at the beginning of the case, combined with inquiries or complaints made by creditors are all matters where the United States Trustee has primary responsibility. Thus, the Program's efforts serve as a linchpin to the successful investigation and prosecution of bankruptcy fraud. Failure to provide adequate resources to enable the Program to thoroughly pursue fraud will have the effect of diminishing the efforts of other governmental entities in this area as well.

Progress has been made in the area of debtor fraud. During 1992, the criminal referral process was restructured to provide for the submission of more precise information regarding criminal conduct to the United States Attorney and the Federal Bureau of Investigation. In addition, in 1992 and early 1993, several training conferences were held with participation from all the agencies with a major interest in prosecuting this form of white collar crime, e.g., United States Trustees, United States Attorneys, the Federal Bureau of Investigation, the Department's Criminal and Tax Divisions, as well as the Secret Service and the Postal Service. This coordinated educational effort, leaning heavily on the knowledge and experience of senior Program staff, is an unprecedented attempt to strengthen Federal law enforcement in a field little understood by most Federal officials. These activities have begun paying dividends. During 1992 and 1993, referrals by the Program have resulted in 167 convictions with alleged losses totaling $74,862,000 and fines and restitution totaling $13,911,212. As of December 31, 1993, there were an additional 41 indictments pending conviction.

Automation: The enhancement includes an increase of $757,000 to provide automated support for the trustee supervision/bankruptcy fraud initiative. This increase will be committed to the acquisition of hardware, used in the United States Trustee offices in the oversight of bankruptcy case administration. As the bankruptcy caseload has nearly doubled since the expansion of the Program, so have the demands on its automated system. The current system is plagued with capacity limitations. Field offices will soon exhaust their ability to track bankruptcy case summary information due to overloaded equipment. Automated systems play a major role in supervising the activities of over 2,000 private trustees who administer bankruptcy cases. Program initiatives such as bankruptcy fraud and trustee supervision require automated support to be effective. For example, the number of documents to be analyzed and tracked in even a modest trustee embezzlement runs into the thousands of pages. The inability of the system to provide adequate support impedes the Program's ability to carry out these critical responsibilities.

Chapter 11 Case Supervision: An increase of 35 positions (10 attorneys), 18 workyears and $1,939,000 in offsetting collections is requested to allow the Program to strengthen its chapter 11 case supervision efforts, professional fee oversight, and the performance of the extensive responsibilities relating to the post confirmation phase of chapter 11 cases. Resources for the requested enhancement are to be derived from proposed chapter 11 fee increases. These resources are necessary if the Program is to fulfill its numerous responsibilities under chapter 11, since existing funding has had to be diverted from chapter 11 in order to address trustee supervision and other problems identified in chapter 7.

Chapter 11 provides a debtor, working with its creditors, an opportunity to restructure its financial affairs. The opportunity emanates from the substantial protection the law affords a debtor in precluding creditor enforcement actions. In exchange, the debtor is obligated to meet several responsibilities such as disclosing its assets and proposing a reorganization plan. By this structure, the law seeks to provide an environment where the debtor and creditors resolve their shared circumstances.

The intent does not meet the reality. Beyond the large, high profile cases are the overwhelming number of cases that have no creditors' interest. After filing for protection, debtors rarely take steps to effectuate a true reorganization and move their cases to resolution. What transpires are cases sitting on the docket, with the debtor pursuing its own self-interest, and creditors refusing to expend monies to recoup what they perceive to be a lost investment.

In carrying out its responsibilities to supervise the administration of estates, the Program has an obligation to pursue the resolution of a case and to provide positive assistance to those debtors who in good faith are seeking to reorganize their financial affairs and regain economic productivity. Three interrelated areas require additional efforts and

resources on the Program's behalf. The first is building the capability of the Program's employees to examine each case that lacks creditor participation and to determine the continued viability of the chapter 11 debtor. The debtor's cash flow, debt structure, ability to remain current on taxes, the size of its market and the quality of its product, are indicia as to whether the debtor has a chance to reorganize or whether its case should be dismissed or converted to a chapter 7 liquidation. In order to meet these resposibilities and move the chapter 11 system from its lethargic reputation, the Program must have the capability to determine a debtor's future and advocate that position to the court.

The second part of any effort to bring fundamental standards of efficiency and effectiveness to the system, is controlling the size of professional fees in a case. The longer a case remains open, the higher the fees and lower the dividend to creditors. Virtually everyone who participates in the bankruptcy system on a regular basis is aware of the public's increasing dissatisfaction with the high cost of bankruptcy. Much of the public and Congressional concern relates to the perception that the high costs of bankruptcy are due in large part to the aggregate professional fees incurred by debtor and creditors alike during the bankruptcy process. This perception, in many cases, is accurate and will be changed only by controlling the costs associated with the use of the professionals whose services are sought in connection with a bankruptcy case.

Unfortunately, the fee application review practices of United States Trustee Offices have failed to resolve the problem of the high costs of professional fees in bankruptcy. While the United States Trustees have the statutory authority to monitor professionals' fees, they do not have the authority to reduce the amount of fees in any instance. Instead, the Program has only the ability to bring the issues raised by a particular fee application to the attention of the court. The fee review function is complicated by the fact that it is unique to the bankruptcy process. There is no other federal entity which reviews fees of attorneys, investment brokers and other professionals as a part of their normal regulatory responsibilities. As a result, professional fee review is a largely uncharted area.

Most significantly, limited personnel and funding present difficulties for the Program in its efforts to concentrate on the often ministerial, but time intensive, aspects of fee application review. In order to challenge professional fees before the court, Program personnel must identify and document such items as insufficiently detailed time entries, duplicate entries, instances of billing for multiple attorneys attending the same proceeding, etc. Typically, the majority of professional fees sought have been incurred in connection with contested matters and adversary proceedings to which the United States Trustee was not a party. Thus, review of these fees on a substantive basis necessarily entails the investment of a significant amount of professional time. For example, for United States Trustee staff to successfully object to a fee application based on the quality of the performance by professionals during the course of a contested matter or adversary proceeding, it is required that the written work product produced in connection with the matter be reviewed and the performance of the professionals at various stages of the matter be assessed.

A third necessary focus of reform is the post confirmation stage of chapter 11, in which debtors seek to implement the court-ordered plan of reorganization. The bankruptcy system is plagued by chapter 11 reorganization cases that proceed to where a restructuring plan is approved by the court, but the case continues to linger in the system for years. A majority of the reorganization plans confirmed under chapter 11 of the Bankruptcy Code fail to be implemented and, thus, never fulfill the promises made to the bankruptcy court. Chapter 11 cases which fail to implement reorganization plans have the effect of undermining the bankruptcy system. Failure of a debtor to carry out its post confirmation responsibilities diminishes the return of assets to creditors and contributes to public dissatisfaction with the system. In addition, failure of companies to successfully reorganize or liquidate has drawn heavy criticism from companies which must compete with chapter 11 debtors receiving substantial protection under the bankruptcy code.

Ensuring that chapter 11 debtors meet their responsibilities is an obligation of the Program under 28 U.S.C. §586. Monitoring debtors in post confirmation is a duty which was not envisioned by the staffing structure at the time of the Program's nationwide expansion and one for which the Program has never received resources. The requested increase is critical to ensure that there is an entity in the bankruptcy process which will require debtors to meet their post confirmation responsibilities under the law.

Activity: Management and Administration

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Direct Appropriation.....	53	51	$6,585	53	51	$6,855	52	50	$6,665	(1)	(1)	($190)
Offsetting Collections....	2	2	1,836	2	2	1,975	2	2	1,975	...	...	...
Total.....	55	53	8,421	55	53	8,830	54	52	8,640	(1)	(1)	(190)

This budget activity provides resources necessary to furnish the United States Trustee Program with effective program management, policy direction, legal advice, administrative support and coordination.

LONG-RANGE GOALS:

To develop policies and program priorities consistent with the "Bankruptcy Judges, United States Trustees and Family Farmers Bankruptcy Act of 1986," (P.L. 99-554).

To provide legal counsel to the Director and the United States Trustees.

To provide oversight of private trustee management activities, as well as to gauge the quality of the operations of the Program's field offices.

To plan and implement the following National Performance Review (NPR) initiatives: 1) transitory exchange of U.S. Trustee field office and Executive Office personnel to augment the sharing of information and knowledge while providing field office personnel with direct input to operations, 2) decentralization of some procurement authority to the U.S. Trustee field offices, 3) improving training opportunities program-wide, and 4) establishing a chapter 11 incentive program to reward U.S. Trustee regions for chapter 11 quarterly fee collection successes.

To improve human resource management by expediting the hiring process and making the workforce reflective of the nation's diverse population.

To enhance the management of the Program's staff by training supervisors and requiring adherence to high professional standards.

To develop and maintain a comprehensive automated information system that satisfies Program needs, as well as Departmental and Government-wide design and security standards.

To provide the full range of administrative support services to field offices.

To provide liaison with Department of Justice components, other central administrative bodies, such as the Office of Management and Budget, the Office of Personnel Management, the General Services Administration, the Administrative Office of the United States Courts, and the Congress.

To manage the United States Trustee System Fund.

BASE PROGRAM DESCRIPTION: Management and Administration has a clearly defined leadership role in 1) developing and directing the Program's long and short term goals, adopting uniform policies and assessing the efforts of the Program's field offices; 2) developing and supervising the Program's litigation activities; 3) conducting the inquiries resulting from the misappropriation of funds by private trustees; 4) developing audit policies and private trustee reporting requirements; 5) coordinating and supervising the resolution of the audits; and 6) providing administrative services such as personnel, procurement and contracts, automation, budget and finance, training, and facilities management. The Executive Office for United States Trustees (EOUST) located in Washington, D.C. provides this centralized support. The EOUST is composed of the Office of the Director, the Office of Review and Oversight, the Office of the General Counsel, and the Office of Administration.

Office of the Director: The Office of the Director provides comprehensive policy and management direction to the United States Trustees and their staff, as well as establishing policies and guidelines for the operations of the EOUST.

Office of Review and Oversight: The workload of the Program's Office of Review and Oversight (ORO) has grown dramatically as bankruptcy case filings have increased and the Program has targeted trustee oversight and supervision as a major goal. This Office is responsible for responding to questions from the field, analysis of trustee security forms and background checks, review of audit findings, and reconstruction of trustee financial records. It is involved in every investigation of trustee defalcation.

The chapters 7 and 13 initiatives which mandate an increase in the scrutiny of trustees have added greatly to the work of ORO. It is responsible for assessing the quality of written evaluations of trustee performance. Further, the more intense oversight, both in terms of pressure to close cases and to ensure maximum return to unsecured creditors, has generated significant turnover in panel membership. This places a burden on the Oversight Office in terms of the responsibility to obtain clearance on each new trustee's background, to facilitate training and to respond to field inquiries. Perhaps the greatest demand is the ever growing number of instances of wrongdoing which are being identified by the more thorough analyses conducted by field staff. ORO is charged with determining whether an embezzlement has occurred and, if so, with the reconstruction of pertinent estate accounts. All of these activities must be conducted with precision and generally require weeks of a staff person's time.

For example, one typical reconstruction required the review of 193 cases. United States Trustee staff examined 2,484 bank statements for 69 separate bank accounts plus all canceled checks and deposit slips. Each financial transaction was reviewed to determine the exact date and extent of loss so that claims could be made for recovery under 15 separate bonds with differing effective dates and levels of coverage. Verification of the receipts and disbursements for each transaction involved obtaining written confirmation and documentary evidence from five banks, 1,286 creditors and debtors, hundreds of auctioneers, realtors, attorneys, accountants, agents and purchasers with whom the trustee had dealt. Two workyears were consumed in reconstructing the case prior to presenting it to the United States Attorney's office.

General Counsel: The demands imposed upon the General Counsel's office have expanded as the caseload has grown and as the Program has developed and implemented its trustee supervision/bankruptcy fraud initiatives. These initiatives have required a more aggressive enforcement program. The commencement of enforcement action requires rigorous preparation and consistently high standards of advocacy. Because the United States Trustee Program has no statutory authority to remove a trustee who violates the public trust, the Program's enforcement efforts are successful only if upheld in court. Beyond being intricately involved in any major case involving a trustee or debtor, the Office of General Counsel plays a major role in training the Program's employees in this area.

Office of Administration: The Office of Administration consists of the Human Resources Division, the Administrative Services Division, the Facilities Management Division, the Information Services Division, and the Budget and Finance Division. The Office's responsibilities include (1) managing the program's independent personnel authority; (2) performing a myriad of administrative duties such as developing and coordinating procurement actions, managing Program-wide contracts, processing invoices and managing property; (3) planning, developing and managing the nationwide space program consisting of 93 offices and several hundred remote meeting facilities; (4) providing daily technical advice and support regarding the automated case management system and other computer-related activities; and (5) managing the financial operation of the United States Trustee System Fund and coordinating and developing the Program's budget and resource plan.

ACCOMPLISHMENTS AND WORKLOAD: Management and Administration

Item:	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate	1995 Estimate
1. Field Office Inspections and Audit:					
a. Chapter 7	350	407	416	416	686
b. Chapter 12	33	25	32	32	32
c. Chapter 13	159	178	180	188	196
2. A-123 Activities:					
a. Internal Control Reviews	12	12	12	12	12
b. Management Reviews	4	4	6	6	6

Performance Measures: The Program has devoted considerable effort in the last two years in developing and implementing methods for evaluating performance of both private trustees and Program staff. Databases have been designed to measure trustee performance in several critical areas. For example, a chapter 7 database measures the performance of individual trustees in the case closing area. Another database permits the Program to measure the effectiveness of trustee operations in terms of the distribution of estate assets, i.e. the percentage of assets which are being paid out to unsecured creditors. A chapter 13 database details the expenses of standing trustees and enables Program staff to monitor and analyze the cost per case. A database for measuring performance in the chapter 11 area is also being developed. These databases, when combined with the yearly evaluations of trustees by Program staff, annual limited scope audits, and periodic office visits have added greatly to the Program's ability to assess trustee performance.

The Program's Office of Review and Oversight has developed a database for measuring and analyzing the workload of the Program's staff, as well. The development of this database has allowed the Program to review the manner in which offices are allocating time among the myriad of duties involved in case supervision -- how much time is being devoted to particular tasks or types of cases; the distribution of duties between attorneys, bankruptcy analysts, and paralegals; the number of overtime hours being worked, the types of positions requiring overtime in the various offices, and how the overtime worked in one region or office on a certain type of case compares to the overtime worked in other offices and regions. While still in an early stage, this database provides the Program with a means of determining the performance of individual offices and staff, as well as a means of prioritizing the allocation of limited resources.

A comprehensive internal evaluation program has also been established to review the performance of individual Program offices and regions. This invaluable activity consists of teams of field managers reviewing all aspects of performance by the staff of another region. Adhering to a detailed manual, the team spends several weeks in the region being evaluated, interviewing Program personnel, private trustees, judges and members of the bar. About a third of the regions have been reviewed and the written reports produced by the teams contain an average of 65 recommendations. In addition to preparing a written response, the United States Trustee must meet with the Program's Deputy Director to discuss his/her plan of action for correcting the deficiencies identified in the evaluation report. This internal evaluation process has been cited by the Department as a significant step in improving Program management and enhancing the monitoring of private trustees.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration									
Direct Authority.....	53	51	$6,855	52	50	$6,665	(1)	(1)	($190)
Offsetting Collections.....	2	2	1,975	2	2	1,975	...	...	...
Total.....	55	53	8,830	54	52	8,640	(1)	(1)	(190)

A program decrease of 1 position, 1 workyear and $190,000 in **direct authority** is required to meet personnel levels established by the Administration in 1995 and to absorb locality pay increases. The reduction will be achieved through attrition and by reducing spending in non-personnel areas such as travel, training, communications, and furniture and equipment purchases. While the reduction of 1 position will have an effect on the ability of the Executive Office for U.S. Trustees to meet the growing demands associated with an increase in the Bankruptcy Fraud/Trustee Supervision Initiative for the Administration of Cases budget activity, the Program will strive to carry out its responsibilities within available resources.

U.S. Trustee System Fund
Salaries and Expenses
Justification of Multi-Activity Program Changes
(Dollars in thousands)

	1995 FTE Reductions			1995 Locality Pay Absorption			Total		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Direct Authority									
1. Administration of Cases	(11)	(14)	($1,323)	...	...	($571)	(11)	(14)	($1,894)
2. Management and Administration	(1)	(1)	(126)	...	...	(64)	(1)	(1)	(190)
Subtotal	(12)	(15)	(1,449)	...	...	(635)	(12)	(15)	(2,084)
Offsetting Collections									
1. Administration of Cases	...	...	...	...	...	...	...	...	...
2. Management and Administration	...	...	...	...	...	...	...	...	...
Subtotal	...	...	...	...	...	...	...	...	...
Total									
1. Administration of Cases	(11)	(14)	($1,323)	...	...	($571)	(11)	(14)	($1,894)
2. Management and Administration	(1)	(1)	(126)	...	...	(64)	(1)	(1)	(190)
Subtotal	(12)	(15)	(1,449)	...	...	(635)	(12)	(15)	(2,084)

Decreases of 12 positions, 15 workyears, and $1,449,000 in direct authority are required to meet personnel levels established by the Administration for FY 1995

In 1995, the United States Trustee Program is absorbing the full 1994 locality pay increase of $2,540,000. A program decrease of $635,000 associated with the absorption of one-quarter of the 1994 locality pay increase is required in 1995. This decrease will diminish the Program's ability to carry out its regulatory responsibilities in the areas of trustee supervision and debtor fraud.

United States Trustee System Fund
Salaries and expenses
Financial Analysis – Program Changes
(Dollars in thousands)

Item	Permanent cut in Pos. & WY				Permanent Increase in Pos. & WY				Permanent Decrease Locality Pay				Total Authority	
	Direct Authority				Direct Authority		Offsetting Collections		Direct Authority					
	Administration of Cases		Management and Administration		Administration of Cases		Administration of Cases		Administration of Cases		Managment and Administration		Total Program Changes	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades														
GS/GM–15	(1)	($69)	...	...	...	...	...	...	...	...	...	...	(1)	($69)
GS/GM–13	(3)	(159)	(1)	($53)	...	...	20	$974	...	...	...	...	16	762
GS–09	(2)	(62)	...	...	...	...	15	424	...	...	...	...	13	362
GS–07	(2)	(50)	...	...	...	...	...	...	...	...	...	...	(2)	(50)
GS–05	(3)	(60)	...	...	...	...	...	...	...	...	...	...	(3)	(60)
Locality Pay	...	...	...	...	...	...	...	55	...	...	...	...	...	...
Total positions and annual rate	(11)	(400)	(1)	(53)	...	...	35	1,453	...	...	...	...	23	945
Additional loss of workyears (–)	...	...	...	...	...	...	...	...	...	...	...	...	0	0
Lapse (–)	...	...	...	...	...	...	(17)	(727)	...	...	...	...	(17)	(727)
Other than full–time permanent	(3)	(108)	...	...	...	...	...	...	...	...	...	...	(3)	(108)
Other compensation	...	...	...	...	...	...	...	12	...	...	...	...	...	12
Total workyears and personnel Compensation	(14)	(508)	(1)	(53)	...	...	18	738	...	...	...	...	3	177
Personnel benefits		(156)		(16)		...		228		...		...		56
Travel and transportation of persons		(145)		(19)		...		150		...		...		(14)
GSA rent		(156)		...		...		312		...		...		156
Comm., utilities, and misc charges		(72)		(8)		...		42		...		...		(38)
Printing		(7)		(1)		...		23		...		...		15
Other services		(58)		(6)		3,095		96		(571)		(64)		2,492
Supplies and materials		...		...		...		26		...		...		26
Equipment		(221)		(23)		757		324		...		...		837
Total program workyears and obligations changes requested, 1995	(14)	(1,323)	(1)	(126)	...	3,852	18	1,939	...	(571)	...	(64)	3	3,707

The United States Trustee System Fund was not subject to administrative reductions because the Program is entirely self–funded by fees collected from debtors.

United States Trustee System Fund
Priority Ranking
Fiscal Year 1995

Base Program

Program	Ranking
Administration of Cases.	1
Management and Administration.	2

Program Increase

Program	Enhancement	Ranking
Administration of Cases	Chapter 11 Case Supervision	1
Administration of Cases	Trustee Supervision Bankruptcy Fraud:	
	Audits	2
	Automation	3

United States Trustee System Fund
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Authorized	1995 Program Decreases	1995 Program Increases	1995 Total
Direct Authority:					
U.S. Trustees/ Asst. U.S. Trustees (301)	102	102	0	0	102
Bankrupty Analysts (301)	114	114	(2)	0	112
Attorneys (905)	132	144	(2)	0	142
Paralegal Specialist (950)	128	138	(2)	0	136
Other Legal and Kindred (900 – 998)	196	206	(2)	0	204
Personnel Management (200 – 299)	6	6	0	0	6
Management System Specialists (301)	37	37	(1)	0	36
General Administrative and Clerical (300 – 399)	52	56	(3)	0	53
Security Specialists (080)	0	0	0	0	0
Accounting and Budget (500 – 599)	8	8	0	0	8
Subtotal	775	811	(12)	0	799
Offsetting Collections:					
U.S. Trustees/ Asst. U.S. Trustees (301)	0	0	0	0	0
Bankrupty Analysts (301)	80	80	0	10	90
Attorneys (905)	65	65	0	10	75
Paralegal Specialist (950)	98	98	0	15	113
Other Legal and Kindred (900 – 998)	82	82	0	0	82
Personnel Management (200 – 299)	1	1	0	0	1
Management System Specialists (301)	1	1	0	0	1
General Administrative and Clerical (300 – 399)	0	0	0	0	0
Security Specialists (080)	1	1	0	0	1
Accounting and Budget (500 – 599)	0	0	0	0	0
Subtotal	328	328	0	35	363
Total Authority:					
U.S. Trustees/ Asst. U.S. Trustees (301)	102	102	0	0	102
Bankrupty Analysts (301)	194	194	(2)	10	202
Attorneys (905)	197	209	(2)	10	217
Paralegal Specialist (950)	226	236	(2)	15	249
Other Legal and Kindred (900 – 998)	278	288	(2)	0	286
Personnel Management (200 – 299)	7	7	0	0	7
Management System Specialists (301)	38	38	(1)	0	37
General Administrative and Clerical (300 – 399)	52	56	(3)	0	53
Security Specialists (080)	1	1	0	0	1
Accounting and Budget (500 – 599)	8	8	0	0	8
Total	1,103	1,139	(12)	35	1,162
Washington	51	55	(1)	0	54
U.S. Field	1,052	1,084	(11)	35	1,108
Total	1,103	1,139	(12)	35	1,162

United States Trustee System Fund
Salaries and expenses
Summary of Change
(Dollars in Thousands)

	Direct Appropriation			Offsetting Collections			Total		
	Perm. Pos.	Work-years	Amount	Perm. Pos.	Work-years	Amount	Perm. Pos.	Work-years	Amount
1994 as Enacted	811	764	$61,513	328	312	$37,487	1,139	1,076	$99,000
Adjustment for non-ceiling workyears	...	12	...	...	...	...	...	12	...
1994 Appropriation Anticipated	811	776	61,513	328	312	37,487	1,139	1,088	99,000
Transfers from Other Accounts:									
Mail Service	...	...	17	...	...	...	...	...	17
Mandatory Increases:									
1995 Pay Raise	...	...	384	...	...	382	...	...	766
Locality Pay	...	...	635	...	...	...	...	...	635
Within Grade Increases	...	...	614	...	...	408	...	...	1,022
Accident Compensation	...	...	11	...	...	7	...	...	18
Unemployment Compensation	...	...	3	...	...	1	...	...	4
General Services Administration (GSA) Rent	...	...	512	...	...	340	...	...	852
Public Access to Court Electronic Records (PACER) Charges	...	...	142	...	...	93	...	...	235
FTS 2000	...	...	32	...	...	21	...	...	53
Employee Data and Payroll Services	...	...	7	...	...	4	...	...	11
Lease Expiration Costs	...	...	123	...	...	82	...	...	205
General Pricing Level Adjustment	...	...	223	...	...	147	...	...	370
Total, Mandatory Increases	...	...	2,686	...	...	1,485	...	...	4,171
Mandatory Decreases:									
One Less Compensable Day	...	...	(142)	...	...	(96)	...	...	(238)
1995 Base	811	776	64,074	328	312	38,876	1,139	1,088	102,950
Program Decreases:									
Permanent Cut in Positions and FTE	(12)	(15)	(1,449)	...	...	...	(12)	(15)	(1,449)
Locality Pay Decrease	...	...	(635)	...	...	...	...	...	(635)
Program Increases	...	...	3,852	35	18	1,939	35	18	5,791
1995 Estimate	799	761	65,842	363	330	40,815	1,162	1,091	106,657

Legal Activities
United States Trustee System Fund
Justification of Adjustments to Base
Dollars in thousands

Adjustments to Base:

	Amount
Transfers from General Administration for Mail Services The Department received the Office of Management and Budget's approval to convert the Justice Management Division (JMD) mail operation to a Working Capital Fund (WCF) activity. As a result, the funds are being transferred from JMD-Appropriated to the Offices, Boards, and Divisions and Bureaus based on current contract usage. The funding will provide each component with the resources to reimburse the mail operation once it becomes a WCF operating activity in FY 1995. The mail operation will provide direct administrative support for services such as mail referral, bulk mail delivery, and mail and messenger services.	17

Mandatory Increases:

1. 1994 locality pay The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of five percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For FY 1994, $1,905,000 in locality pay costs for three-quarters of the year will be absorbed as discussed in the Crosswalk and the Justification of Multi-activity Changes exhibits. For FY 1995, full year costs totaling $2,540,000 must be absorbed and the impacts of absorbing the 1995 increment of $635,000 are reflected as program decreases as shown on the Justification of Multi-activity Program Changes exhibit.	635
2. 1995 pay raise This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $766,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($584,000 pay and $182,000 benefits = $766,000).	766
3. Within-grade increases This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $780,000 for pay and $242,000 for benefits.	1,022
4. Accident Compensation This increase reflects the billing provided by the Department of Labor for the actual costs in 1993 of employees' accident compensation. The 1995 amount will be $18,000.	18
5. Unemployment Compensation This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $4,000 is required to meet our commitment to DOL.	4

6. General Services Administration (GSA) Rent..... 852
GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $852,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of the automated system which uses the latest inventory data and GSA-provided rates.

7. Public Access to Court Electronic Records (PACER) Charges..... 235
The Judicial Conference of the United States has repealed the exemption for federal agencies from the fee imposed for public access to court electronic records. The requested increase of $235,000 is required to meet anticipated additional costs associated with continued access to court records.

8. FTS 2000..... 53
During the development of the 1994 budget, the Office of Management and Budget decreased the funding for FTS 2000 based on the General Service Administration (GSA) projected rate decreases that were to amount to anywhere between 10 and 35-percent. GSA current projections, based on our fiscal year 1993 actual charges show that these rate decreases did not occur. Therefore, an increase of $53,000 is required to meet the Department's commitment to GSA.

9. Employee data and payroll services..... 11
Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. A 10-percent increase is needed to stay current with inflation, the increased use of the National Finance Center (NFC), and the continuing level of systems support by the Finance Staff. This request supports the completion of component conversion to the Personnel/Payroll System operated by NFC, as well as the continuing receipt of system services from NFC. An increase of $11,000 will be required in 1995.

10. Lease expiration costs..... 205
The Department has a large number of leases known to be expiring in 1995. In many cases the existing leases may be renewed but it is impossible to determine now how many and which ones will fall into this category. This increase includes costs for renovation necessary to occupy new space (costs for communications, wiring for automated systems, additional electrical outlets, etc.) and excludes any increase in rent costs. GSA estimates that, historically, 50 percent of all expiring leases are renewed. Therefore, the requested increase of $205,000 includes 50 percent of the estimated relocation costs for known lease expirations.

11. General pricing level adjustments..... 370
This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.

Total mandatory increases..... 4,171

Decreases:

1. One less compensable day..... (238)
The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $164,000 for pay and $74,000 for benefits.

Total Adjustments to Base..... 3,950

United States Trustee System Fund
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual		1994 Estimate		1995 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ES-6, $117,929	1		1		1		...	
ES-5, $113,931	1		1		1		...	
ES-3, $103,727	23		23		23		...	
GS/15, $66,610-86,592	34		34		33		(1)	
GS-14, $56,627-73,614	85		85		85		...	
GS/GM-13, $47,920-62,293	251		273		289		16	
GS-12, $40,299-52,385	105		105		105		...	
GS-11, $33,623-43,712	78		78		78		...	
GS-9, $27,790-36,124	162		162		175		13	
GS-8, $25,160-32,710	79		79		79		...	
GS-7, $22,717-29,530	125		135		132		(3)	
GS-6, $20,442-26,574	38		38		38		...	
GS-5, $18,340-23,847	41		45		43		(2)	
Ungraded positions	80		80		80		...	
1994 locality pay increase	...	...	...	1,939	...	1,939	...	...
1995 pay increase	...	...	...	...	...	779	...	779
Total, appropriated positions	1,103	$49,202	1,139	$50,001	1,162	$51,587	23	$1,586
Pay above stated annual rates	...	189	...	192	...	...	...	(192)
Lapses	10	411	(65)	(3,464)	(85)	(3,323)	(20)	141
Savings due to lower pay scales for part of year	...	(899)	...	(485)	...	(195)	...	290
Net full-time permanent	1,113	48,903	1,074	46,244	1,077	48,069	3	1,825
Other than permanent:								
Temporary employment	33	1,739	10	805	10	805	...	...
Other part-time and intermittent employment	22	1,167	4	210	4	210	...	...
Other personnel compensation:								
Overtime	5	242	5	193	5	205	...	12
Administratively uncontrollable overtime	...	...	...	...	...	...	...	...
Other compensation	...	169	...	64	...	64	...	0
Special personal services payments	...	...	...	62	...	62	...	0
Total, workyears and personnel compensation	1,173	52,220	1,093	47,578	1,096	49,415	3	1,837
Less, Offsetting Collections	(440)	(17,823)	(312)	(16,901)	(330)	(18,093)	(18)	(1,192)
Total, Direct workyears and personel compensation	733	34,397	781	30,677	766	31,322	(15)	645
Average ES Salary		($104,703)		($104,703)		($104,703)		
Average GS/GM Salary		($40,539)		($39,846)		($41,233)		
Average GS/GM Grade		11.8		11.6		11.6		

United States Trustee System Fund
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Estimate Workyears	1994 Estimate Amount	1995 Request Workyears	1995 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	1,113	$48,903	1,074	$46,244	1,077	$48,069	3	$1,825
11.3 Other than full-time permanent	55	2,906	14	1,015	14	1,015	...	0
11.5 Other personnel compensation	5	411	5	257	5	269	...	12
11.8 Special personal services payments	...	0	...	62	...	62	...	0
Total	1,173	52,220	1,093	47,578	1,096	49,415	3	1,837
12 Personnel benefits		12,942		12,775		13,342		567
13 Benefits to former personnel		41		17		17		...
21 Travel and transportation of persons		2,456		2,824		2,964		140
22 Transportation of things		264		547		480		(67)
23.1 GSA rent		13,027		15,987		17,202		1,215
23.2 Rental payments to others		219		299		305		6
23.3 Communications, utilities and miscellaneous charges		2,547		3,768		3,256		(512)
24 Printing and reproduction		183		238		259		21
25.1 Consulting Services		1,031		1,299		1,375		76
25.2 Other Services		6,550		8,920		9,858		938
25.3 Other Government Services		110		114		1,320		1,206
26 Supplies and materials		1,651		2,037		1,388		(649)
31 Equipment		1,750		5,081		5,476		395
Total obligations	1,173	95,000	1,093	101,484	1,096	106,657	3	5,173
Unobligated balance start-of-year		(4,450)		(2,484)		...		2,484
Unobligated balance end-of-year		2,484		...		...		...
Total requirements	1,173	93,034	1,093	99,000	1,096	106,657	3	7,657
Less, Available Offsetting Collections	(440)	(35,813)	(312)	(37,487)	(330)	(40,815)	(18)	(3,328)
Total Direct requirements	733	57,221	781	61,513	766	65,842	(15)	4,329
Relation of obligations to outlays:								
Total obligations		95,000		101,484		106,657		
Less Offsetting Collections		(35,813)		(37,487)		(40,815)		
Total direct requirements		59,187		63,997		65,842		
Obligated balance, start-of-year		14,550		11,939		14,892		
Obligated balance, end-of-year		(11,939)		(14,892)		(17,587)		
Outlays		61,798		61,044		63,147		

Based on later re-estimates of FY 1995 locality pay, object class breakout differs from the President's budget submission.

Mr. BAITY. Thank you, Mr. Chairman. Thank you for having us today. With me is David McCracken, who is our Deputy Assistant Director for Budget and Finance. If I could please just briefly summarize my statement.

Mr. MOLLOHAN. Yes, sir.

Mr. BAITY. And then, of course, we will be prepared to answer any questions you may have.

You have correctly set out our budget request as proposed in our written statement. Our budget request for 1995 recognizes a continuing challenge associated with the statutory duties to provide oversight to the bankruptcy system and to the private trustees charged with administering cases.

One of our fundamental tools, as pointed out in this budget request, is a requirement that those entrusted with these duties undergo a periodic audit to ensure that they comply with fiduciary obligations and standards.

We propose in this budget request not only to maintain our reimbursable agreement with the Office of Inspector General, but to expand that agreement by adding more audits to the budgets that we contract for.

As we require additional data and gain additional material from the audits and the field offices, it is apparent that our automation, which was antiquated when the program expanded in 1986, is in dire need of update. We envision the ability to communicate with greater flexibility throughout our program, thus using available technologies to overcome any personnel allocations which we may need to undertake.

In the area of fraud, I am happy to report that we have initiated significant cross training with the United States Attorneys offices throughout the country, the FBI, and other State and local offices, and we have developed in many jurisdictions local task forces and working groups, primarily set up to ferret out fraud in the bankruptcy system.

One undertaking we propose to initiate this year is to address the concern of petition mills that are having a devastating effect, especially in the rural and inner cities of our country where debtors are unaware of being processed through the bankruptcy system by people purporting to be professionals when in truth and in fact, they are not.

Finally, due to our limited resources and our concentrated efforts in the past on Chapter 7, we have been strapped in our efforts to monitor Chapter 11 cases. There are two aspects in the Chapter 11 caseload administration which we seek to address with this budget request.

First is in the area of the mega, or extremely large, cases. There, the professional fees have been extremely high and the need to address and monitor those fees has have taken additional resources and will continue to require further resources on our behalf.

More importantly, I believe, is the area of those Chapter 11, cases where there has never been any creditor participation. This is an area that needs to be addressed to the future. It is because of our need to shift resources in the Chapter 7 oversight that we have been unable to address these Chapter 11 cases to the degree that we feel is proper.

With those thoughts, Mr. Chairman, I would thank you again for having us, although this is my first time before the Committee, and I will offer myself to any questions you may have.

[The biographical sketch and prepared statement follow:]

BIOGRAPHICAL INFORMATION—WILLIAM F. BAITY

William F. Baity received his bachelors degree from North Carolina College, his M.S. in industrial administration from Carnegie-Mellon University, and his law degree from the Vanderbilt University in Nashville, Tennessee. Mr. Baity, who is admitted to the Louisiana and Tennessee State Bars, has previously served as an Assistant United States Attorney and was promoted to Chief of the Civil Division, Eastern District of Louisiana in August 1984. In April 1988, he was appointed as United States Trustee for Region 5 (Louisiana and Mississippi) where he served until his appointment as Deputy Director of the United States Trustee Program on August 11, 1991. He is presently serving as Acting Director of the Program.

DEPARTMENT OF JUSTICE
EXECUTIVE OFFICE FOR UNITED STATES TRUSTEES

STATEMENT OF THE ACTING DIRECTOR
WILLIAM F. BAITY
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE
JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you to discuss the 1995 appropriation request for the United States Trustee Program. For fiscal year 1995, the Program is requesting a total of 1,162 positions, 1,091 workyears and $106,657,000. The request includes a direct appropriation of 799 positions, 761 workyears and $65,842,000, as well as offsetting collections funding of 363 positions, 330 workyears and $40,815,000.

Although this is my first appearance before the Subcommittee, I am aware of your past support of the United States Trustee Program. That support has enabled us to undertake initiatives that begin to address the significant number of critical issues surrounding the administration of bankruptcy cases. Moreover, your efforts have been instrumental in allowing us to prioritize resources during the rapid and unprecedented growth in the bankruptcy caseload since our nationwide expansion in 1986.

Budget Request

The Program's 1995 budget request, as outlined above, is $7,657,000 above the 1994 enacted level of $99,000,000. While seeking the addition of much needed resources, the budget request also includes reductions consistent with the Administration's efforts to reduce the Federal work force.

Included in the increase are mandatory adjustments of $3,950,000. The program increase of $5,791,000 reflects 35 new positions with a corresponding level of 18 workyears. The $5,791,000 is composed of a direct appropriation of $3,852,000 to supplement the Program's audit and automation capabilities in support of its trustee supervision and debtor fraud initiative. The increase also includes an offsetting collections program enhancement of 35 positions, 18 workyears and $1,939,000 to support the Program's chapter 11 case supervision initiative. The chapter 11 initiative will be financed by a proposed increase of $100 in the chapter 11 filing fee and an increase of $3,000 in the quarterly fee paid by those chapter 11 debtors with quarterly disbursements of $3 million and above.

In accordance with the President's effort to streamline the Federal Government, the 1995 request reflects a decrease of $2,084,000, which includes decreases of 12 positions, 15 workyears and $1,449,000 in order to meet reduced personnel levels. Additionally, there is a decrease of $635,000 associated with the required absorption of the 1994 locality pay raise. This latter reduction will be achieved through careful management of non-personnel expenditures such as outside consultant contracts, travel, training, furniture and equipment.

United States Trustee Program Responsibilities

The United States Trustee Program seeks to strengthen the integrity of the bankruptcy system by ensuring the expeditious, fair, and efficient administration of bankruptcy cases filed under chapter 7 (liquidation), chapter 11 (reorganization),

chapter 12 (family farmer), and chapter 13 (wage earner repayment). In carrying out its role of supervising and monitoring the private trustees, debtors, and estates, the Program's efforts, by necessity, must focus on the tasks of ensuring that private trustees, debtors and other parties in interest adhere to the standards of the law. In this critical area, we continue to confront challenges.

Trustee Supervision

With the Subcommittee's support, the Program has undertaken efforts to hold accountable, both as to the law and fiduciary standards, those charged with the administration of cases. We have defined a framework for supervising private trustees who administer the 621,000 chapter 7 cases and 255,000 chapter 13 cases filed each year.

Program personnel are charged with greater involvement in scrutinizing private trustee activities by personally following up on audits performed by the Office of the Inspector General as well as outside accounting firms. Steps have been initiated to ensure that old cases are timely closed. Where appropriate, enforcement actions have been initiated against private trustees and debtors who do not comply with the law's requirements.

The 1995 budget request for audit and automation increases will enhance the Program's capability to track estate assets and assist in the determination of the adequacy of a trustee's financial management.

Our efforts to require compliance with standards stem from multiple sources. The Office of Management and Budget (OMB), as well as the Department's Office of Inspector General (OIG), have considered trustee oversight to be a high risk area because of the enormous amounts of monies handled by the private trustees. The September 1992 OIG audit entitled, "Monitoring of Private Trustees," uncovered significant deficiencies such as commingled funds, failure to deposit funds, and funds deposited in the wrong accounts. Moreover, personnel within the United States Trustee Program have discovered instances of trustee conduct that was inconsistent with the law and recognized fiduciary obligations.

Recognizing significant evidence of breaches of fiduciary standards, the Program's initiatives have begun to show positive results. The Program position requiring rational explanations as to why cases remain open has reduced the aging caseload from 33,132 pre-1989 cases pending in January 1992 to less than 4,000 such cases today. The Program's national policies for chapters 7 and 13 cover a full range of trustee management. For example, chapter 7 trustees are now reappointed on an annual basis after receiving a yearly evaluation. All panel trustees each year receive an audit from the OIG, or from the Office of the United States Trustee. These audits are buttressed by timely follow-up to correct any deficiencies.

The Program has expanded its efforts to provide a consequential review of compliance with fiduciary standards by the standing trustees. Unlike panel trustees, who are appointed on a case-by-case basis, the standing trustees under chapters 12

and 13 receive all cases within a particular geographic area. Initial reviews have uncovered deviations from fiduciary standards which, if allowed to go unchecked, become accepted practices.

Fraud

Conviction rates of trustees and their employees have increased by 70 percent since 1992. Similarly, resignations and suspensions of trustees who have failed to uphold fiduciary standards increased by 75 percent from FY 1992 to FY 1993 and motions filed with the court to remove a trustee are up by 36 percent over the same time period.

A second area of fraud, and one in which there remains less empirical data, involves fraud committed by debtors who invoke the protection of the bankruptcy system. Often the ability to detect debtor fraud is both time-consuming and resource-intensive. Often, a myriad of witnesses need to be interviewed and numerous financial documents researched to ascertain whether there is substantial evidence of fraudulent conduct. The role of the United States Trustee does not duplicate law enforcement agencies, but attempts to focus on a discreet type of fraudulent conduct. Our Program's attorneys and analysts possess a unique vantage point from which to identify such activity. In the area of debtor fraud, criminal referrals by the Program during FY 1992 and 1993 resulted in 167 convictions, with alleged losses totaling nearly $75 million and fines and restitution totaling over $13 million.

Chapter 11

Resources for the Program's chapter 11 responsibilities have been severely strained as existing resources were redirected to high risk areas such as trustee mismanagement. In 1995, the Program is requesting additional resources to carry out its new chapter 11 policy initiative designed to bring cases to a more efficient and effective resolution by requiring that debtors meet their responsibilities and by providing better oversight of professional fees.

The first goal of the new chapter 11 initiative is to build the capability of the Program to examine each chapter 11 case that lacks creditor participation and determine the continued viability of the debtor based on such factors as cash flow, debt structure, the ability to remain current on taxes, the size of the market and the quality of the product. Data have demonstrated that the more quickly inappropriate chapter 11 cases are converted or dismissed, the greater the distribution to creditors. United States Trustees also have a role in assisting debtors, who have the capability of successfully restructuring their business affairs, to regain economic productivity.

These responsibilities are particularly critical since only about 12 percent of the Program's open chapter 11 cases have a formulated creditors' committee. In other words, in the vast majority of chapter 11 cases, the United States Trustee must fill the vacuum of providing oversight where there is no other entity "minding the store." The capability to determine the potential of a chapter 11 debtor to successfully restructure will also have

a positive impact on the post confirmation stage of chapter 11, in which debtors seek to implement the court-ordered plan of reorganization. Currently, a large majority of the reorganization plans under chapter 11 fail to be implemented and, thus, never fulfill the promises made by the debtor to the bankruptcy court.

An additional facet of the chapter 11 initiative involves controlling the size of professional fees in a case. During FY 1993, the Program's attorneys entered over 2,000 objections to fee requests. Yet, this barely begins to address the problem. Since the Program does not have the authority to act on fees itself and must challenge professional fees before the court, the effort to undertake such a challenge requires significant professional time.

Caseload

The Program's ability to fulfill its responsibilities has been challenged by the growth in the bankruptcy caseload since 1986. While bankruptcy filings declined slightly last year, they remain 77 percent higher than they were at the Program's expansion, growing from 507,000 in 1986 to 897,000 in fiscal year 1993. Currently, there are over 1 million pending cases.

United States Trustee System Fund

Fiscal Year 1995 represents the seventh consecutive year that the United States Trustee Program has been self-sufficient, with all of its funding derived from fees paid by debtors into the United States Trustee System Fund.

The balance in the Fund as of September 30, 1993, totaled $124.2 million. Because the Program's authorizing statute limits the amount that can be retained in the Fund to 110 percent of the Program's annual appropriation, a transfer of $15.3 million to the General Fund of the United States Treasury was required in November 1993. Previous transfers to the General Fund occurred on November 1, 1992 ($24.5 million) and November 1, 1990 ($6.4 million).

The inability of the Program to have additional access to monies in the System Fund at a time when we have taken on significant additional responsibilities to ensure compliance with legal and fiduciary standards while addressing a substantial bankruptcy caseload remains a dilemma. Establishment of the Program's offsetting collections authority by your Subcommittee was a step in the right direction. Yet, millions of dollars continue to be turned over to the General Fund on an annual basis.

Conclusion

We appreciate your past efforts to assist the United States Trustee Program to meet the continuing challenges facing the bankruptcy system. I look forward to working with you to address future challenges.

This concludes my prepared statement, Mr. Chairman. I will be pleased to answer any questions you or other members of the subcommittee may have.

BANKRUPTCY FILINGS

Mr. MOLLOHAN. Well, again, we welcome you. There appears to be a pretty steady decline in the number of bankruptcy filings beginning in 1992. Is that decline continuing.

Mr. BAITY. The original budget request showed a decline from 1992 to 1993. What we have seen in the last several months is that the rate of decline is beginning to drop off.

I would point out that there are still roughly 1.2 million cases in the pipeline of administration, and they just have not gone away. But moreover, the decline has not been uniform throughout the country.

We are faced with certain parts of the country where the growth rate has remained steady over the last five or six years. Overall the caseload throughout the country has declined, but that decline is in pockets, and it varies among geographic area.

Mr. MOLLOHAN. But overall, taking the numbers as an aggregate, you are still experiencing a decline?

Mr. BAITY. Yes.

Mr. MOLLOHAN. But your testimony is that the rate of that decline has decreased?

Mr. BAITY. We believe that the most recent data shows that the rate of decline has decreased.

Mr. MOLLOHAN. Do you anticipate that a decline at whatever rate will continue? Do you project that throughout this fiscal year?

Mr. BAITY. Candidly, we think that there will be a slight continual decline, but from what we have been able to see so far, we expect the rate of that decline again to decrease.

Mr. MOLLOHAN. There appears to be a difference of opinion between yours and the bankruptcy courts over the projected number of bankruptcy filings.

For example, if we are correct, you anticipate 621,071 Chapter 7 filings in fiscal year 1994, while the courts estimate only 584,200. That is a pretty significant difference. Can you explain it?

Mr. BAITY. Well, we need to go back to when those numbers were originally projected in our budget request back in 1993.

Again, that was a time when we had insufficient data to truly forecast the rate of decline. I think it is fair to say that based on the numbers we have seen to date, the rate of decline will bring it in under 621,000, but I am a little reluctant to basically embrace the 584,000, because it is still unclear as to just what the rate of decline will be. The number probably falls somewhere in the middle of those two.

Mr. MOLLOHAN. That is a 37,000 difference between the two, if I am correct here. Which do you think is closer to the mark, your estimate or the bankruptcy court's estimate?

Mr. BAITY. Their estimate probably is somewhat closer in the sense that we probably would be closer to under 600,000 now.

Mr. MOLLOHAN. If their estimates are more correct, does that suggest that you will need less staffing than you have requested?

Mr. BAITY. No. In terms of the pipeline, and by pipeline I mean those cases that need administration at this time and in the foreseeable future, it still remains at 1.2 million.

Again, I am sure that this committee is aware that over the past seven years where the caseload increased by over 77 percent, our resources increased only by 28 percent. So we are always trying to catch up with the caseload.

So even if the filings were to drop slightly, we would still need the resources to do the job with the cases currently under our administration.

Mr. MOLLOHAN. To clean up the backlog?

Mr. BAITY. To clean up the backlog, of cases in the pipeline, but again also to address the filings. Because even if we accept the court's figure of 585,000, those are just Chapter 7 cases, which again is a tremendous increase over the number of cases that were filed back in 1986 when the Program first went nationwide.

Mr. MOLLOHAN. Are you disposing of more cases that are being filed, or are you increasingly behind?

Mr. BAITY. We are, in the——

Mr. MOLLOHAN. Is your backlog increasing or decreasing?

Mr. BAITY. Our backlog is finally beginning to decrease, especially in Chapter 7. In the Chapter 11 area, we still maintain a significant backlog, again because of the inability to direct resources to the Chapter 11 cases.

Mr. MOLLOHAN. How do you measure your performance in terms of timeliness of disposing of cases?

Mr. BAITY. Again, we go back to the fact that we oversee the system through the private trustees. We have established, as a guideline, a three-year mark for Chapter 7 cases as being old cases.

Mr. MOLLOHAN. A Chapter 7 case, I would say, lingers and perhaps you wouldn't, for three years before you consider it to be overdue?

Mr. BAITY. We have established priority to clean up the old cases. There was a time when there were almost 33,000 cases that went back to 1979. Again, it was a benchmark established to bring down the closure of the old cases. We have reduced those from 33,000 to roughly 4,000 cases.

Mr. MOLLOHAN. Have you reduced the average time it takes to dispose of those cases?

Mr. BAITY. I believe ever so slightly. Candidly, part of the problem was the need to cleanse the system in the sense of the 3,000 trustees that administered cases. We are down to approximately 1,200 Chapter 7 trustees, who we believe are better equipped and able to comply with the fiduciary requirements, and therefore I believe that ultimately we will see the time for administration of the cases to be reduced.

NUMBER OF TRUSTEES

Mr. MOLLOHAN. Explain to me how many cases you are disposing of now with 1,200 trustees versus the other cases you were disposing of with 3,000 trustees?

Mr. BAITY. Well, let me go back in terms of the 3,000 trustees. Many of those trustees were individuals which never came under the jurisdiction of the United States Trustee.

They had cases when we expanded, and we were unable to basically have the enforcement ability against those trustees. Many of them had few cases, but because the cases were so old and had sig-

nificant problems, just moving those to closure took additional resources.

We are probably down to approximately 1,200 to 1,500 per trustee in the system on Chapter 7 cases.

Mr. MOLLOHAN. Oh, per trustee.

Mr. BAITY. Oh, I misunderstood. We had 3,000 trustees in the system. We are down to 1,200 trustees. The 3,000 individuals, the cases that they administer, while not a lot of cases, often were very old cases with significant problems that took tremendous resources to close.

While the trustees that are now in the system accepting cases have a significant caseload, they are able to move the cases. One reason is because they are newer cases and our enforcement efforts and fiduciary requirements I think have begun to have an effect on them in terms of their compliance. So their caseload still remains high.

Mr. MOLLOHAN. Well, if you are going to brag about the performance, how are you improving?

Mr. BAITY. In several ways. First of all, I think that we have begun to establish with the private trustees an understanding of their fiduciary responsibilities. Specifically, that they are entrusted with other people's money, both creditors and debtors.

It is a system that, with the help of such things as the audits now has accountability. These individuals who actually administer these cases now know what is expected of them.

Mr. MOLLOHAN. So you have improved the professionalism of the trustees and their performance in terms of honesty and fulfilling their fiduciary relationships?

Mr. BAITY. Again, it has been a slow, tedious process of people understanding a system that never had in essence accountability from that standpoint. These individuals are now embracing those accountability standards.

Mr. MOLLOHAN. Are you improving productivity?

Mr. BAITY. We believe, and candidly I think over time, we will be able to measure the productivity more effectively. We have begun to collect data on the distribution of monies to creditors to measure how money is being distributed to both the unsecured and secured creditors.

And over time, I believe if we are able to gather more information, we will be able to track how the money is being distributed.

Mr. MOLLOHAN. Are today's trustees able to handle more cases than yesterday's trustees?

Mr. BAITY. In different parts of the country, yes. In some other parts of the country though, we still have the same dilemma.

Mr. MOLLOHAN. I guess what I am getting at is, it just seems that you are having fewer filings and are still requesting an increase in positions.

Mr. BAITY. Again, I would go back to a fewer number relative to last year, but still, so many more than there were over the first five years of the program.

Mr. MOLLOHAN. Mr. Rogers?

TIMELINESS OF BANKRUPTCY PROCEEDINGS

Mr. ROGERS. Well, the complaints that one hears, when you are talking about bankruptcy proceedings is that it takes forever to get one over with. And two, by the time it is over with, the trustee has eaten up all of the assets and the creditors get nothing. That is a common complaint.

How do you respond to that?

Mr. BAITY. Well, there are two areas. One is the 7 area where there normally is a trustee appointed. Our records show, in terms of the distribution, that in fact the creditors are receiving substantial distribution of resources across the board as we have tracked data, that the administrative and professional costs of the trustees have not been exorbitant.

The concerns that you raise, Mr. Rogers, are clear in Chapter II, because an additional problem is that normally there is no trustee. Our system is predicated on the debtor actually operating the business and remaining in possession. That is truly where we seek and need additional resources to address those problems because, especially in the smaller cases, there is no creditor participation for the most part and absent the United States Trustee, there is no one there to look at the case to see what is happening to the assets.

Moreover, in terms of Chapter II, we are starting to see the longer that these cases remain in the system, the less likely it is that any assets will actually distribute to creditors upon either dismissal or conversion.

And again, we would ask the committee's support because our need in the Chapter II area is to focus on that very issue.

LENGTH OF CASES

Mr. ROGERS. Can you furnish us any statistics on the length of cases, on the time it takes to finish a case, especially the time the trustee is taking to manage the assets?

Mr. BAITY. Again, you are talking Chapter 7. I think we would be able to get information specifically on the time. I don't have it with me in terms of the exact time.

Mr. ROGERS. I understand. I would like to see if there is a trend and see if, since the advent of the U.S. Trustee System, we are making any progress in that respect. Do you think you would get that for us?

Mr. BAITY. Yes, sir.

Mr. ROGERS. Going back to the first year?

Mr. BAITY. Well, in terms of the data collection, I think we would be able to go back because we do have some data from the Administrative Office of the Courts.

However, we have only recently been able to start measuring the actual closing dates of these cases. So we don't go back, but approximately, I would say two years, on that.

Mr. ROGERS. We would like to see that.

[The information follows:]

Chapter 7 Case Closing Rates

The data call that the United States Trustee Program initiated in April 1992 tracks Chapter cases as to closing dates. Full-year information is only available for years 1990 through 1992. As the following table indicates, the Trustee Program has improved its case closing rates since 1990. From 1990 through 1992 when the Chapter 7 trustee supervision initiative was fully implemented, the percentage of Chapter 7 cases closed after 3 months increased by 46 percent, from 15.8 percent to 62 percent. Similarly, the number of cases closed after 6 months and 9 months increased as well. At the same time, the Trustee Program reduced the backlog of "old" pre-1989 cases from 33,132 Chapter 7 cases pending in January 1992 to 3,082 as of April 1994.

	1990	1991	1992
Cases closed after 3 mos.	15.8%	28.8%	62.0%
Cases closed after 6 mos.	32.8%	46.4%	72.3%
Cases closed after 9 mos.	44.3%	57.2%	78.7%

These closure rates are inclusive, meaning that the percentage of Chapter 7 cases closed after 9 months reflects the total number of cases closed through that period. These figures illustrate the Trustee Program's success in closing cases more rapidly, as well as the significant improvement in the overall number of cases closed per year.

DEBTOR AND TRUSTEE FRAUD

Mr. ROGERS. Now, you are requesting an increase of $3.9 million to reduce debtor and trustee fraud. How much are you spending for that purpose in the current year?

Mr. BAITY. Approximately $2.5 million is being used in our reimbursable agreement with the Inspector General for auditing private trustees. We would propose to raise the number of audits.

Mr. ROGERS. So you are more than doubling the monies that would be spent to reduce the debtor and trustee fraud?

Mr. BAITY. Of course included in that is the enhancement to our automation system that would allow us to track the data. Of the $3.9 million, the majority would go to the audits, and approximately $757,000 would go to the enhanced automation system.

Mr. ROGERS. So $757,000 would go for equipment, and the balance would go to what?

Mr. BAITY. Would go to enhancing the number of audits. Currently we are only able to audit the private trustees on an average of one in four years, maybe a little longer. We propose to move that to one in three years, to ensure that the fiduciary responsibilities are maintained.

Mr. ROGERS. Are these in-house officers?

Mr. BAITY. Those are contracted out with the Inspector General. I might add that one of the abilities we have seen is now the Office of the Inspector General has been able to increase the caliber of the audit, and we have been able to get much more information from their audit.

Now, it is required of us to use more of our resources to truly timely follow up with these audits.

Mr. ROGERS. Can you tell us that you have been successful in weeding out fraud and abuse?

Mr. BAITY. In terms of the private trustee world, we have made a significant dent in terms of the true fraud embezzlement. We have had significant convictions.

I think in terms of raising the fiduciary standards, we still need a lot of work, and the audits help us do that as well.

FEE INCREASE

Mr. ROGERS. Now, you are relying on a proposed fee increase to fund your program enhancements. I understand that an agreement was worked out between the Department and the Administrative Office of the U.S. courts that a consultation and coordination process was to be initiated on issues such as this fee increase which impacts on the different branches.

But apparently the Judiciary was not informed of the proposal. Can you explain why they were not informed?

Mr. BAITY. Well, I think two steps. Initially, we inadvertently did not inform them. We have since consulted with the administrative office regarding the fee request and some other areas.

We also propose to meet with them on a regular basis to cover not just such things as fees, but data collection and additional information, and in fact, we will probably meet with them in the next week or two on this very issue.

I recently have met with the director of the bankruptcy division and we propose to meet, the two of us, on a regular basis to ensure that the coordination will continue.

Mr. ROGERS. They are opposed to the fee increase, aren't they?

Mr. BAITY. It is fair to say that they did not adopt our fee increase when we discussed it with them. Our fee increase basically is one where we attempt to target the true users of the services, which would be in Chapter 11.

Mr. ROGERS. Well now, you just increased those last year; you went from $600 to $800 last year, and now you propose another $100, up to $900. That is a 50 percent increase over two years; is it not?

Mr. BAITY. It is. To answer that specifically, we did not partake of the initial fee increase a year ago. The $100 we propose this year basically is to target the areas where there is no creditor participation, and the bulk of the fee increase really goes to what I would call the mega cases in terms of quarterly fees where the professional fees are complained of the most. Again, it would allow us to concentrate resources there.

Mr. ROGERS. Well now, you the proposed appropriations language is technically a legislative matter, and really comes under the jurisdiction of the Judiciary Committee as opposed to this committee. We do not authorize the fee.

Have you discussed these increases with the Judiciary Committee, and what do they say about it?

Mr. BAITY. Well, it is my understanding that the former director did discuss the fee proposal with the Judiciary Committee. I was not part of that, but I understand that did occur.

Mr. ROGERS. And they said it is okay?

Mr. BAITY. I do not know the response, but I haven't gotten anything negative back from them.

Mr. ROGERS. Okay. Well, I thank you very much.

Mr. MOLLOHAN. Thank you, Mr. Baity, for your testimony. We will have a few questions for the record and we would appreciate your responding to those.

Thank you for your testimony.

Mr. BAITY. Thank you.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN MOLLOHAN

Bankruptcy Fee Increase

QUESTION: You propose to increase the quarterly fees for Chapter 11 debtors with disbursements in excess of $3 million from $5,000 to $8,000. How is this going to impact these debtors and their creditors?

ANSWER: The proposed increase in quarterly fees would affect less than 2 percent of the open Chapter 11 cases. The remaining 98 percent of Chapter 11 debtors would experience no increase in quarterly fees under the Administration's FY 1995 proposal.

The current quarterly fee structure disproportionately places the burden of supporting the Chapter 11 system on small debtors. For example, debtors with disbursements of $15,000/quarter pay quarterly fees totaling approximately three percent of quarterly disbursements; debtors with disbursements of $300,000/quarter are subject to quarterly fees totaling approximately one percent of disbursements; those with disbursements of $3 million or more currently pay less than two-tenths of one percent of their quarterly disbursements.

Under the Administration's proposal, the very largest debtors would be subject to a quarterly fee of less than three-tenths of one percent of disbursements, an increase of approximately one-tenth of one percent. Moreover, the $3 million threshold is at the bottom of the disbursement range. There are currently Chapter 11 cases in this range with disbursements of several hundred million or even a billion dollars per quarter.

While small in terms of the total Chapter 11 caseload, it is these "mega" cases that present the greatest oversight challenges for the United States Trustee Program. For example, in this range, cases tend to linger in the system and professional fees mount. Additional resources will permit the Trustee Program to increase its case supervision activities, including professional fee oversight and post confirmation activities. This increased oversight will positively impact our ability to ensure that cases move through the system and that Chapter 11 debtors carry out the promises they have made to the bankruptcy court and their creditors in their reorganization plan.

QUESTION: How much in additional fees do you anticipate you will collect as a result of this fee increase?

ANSWER: The revenue estimate, prepared at the time the 1995 budget submission was developed, projected that the increase in the Chapter 11 filing fee would raise $1,847,000, while the proposed increase in the quarterly fee would raise $3,288,000. Given the recent decline in bankruptcy filings, additional revenues generated by the fee increase may not reach the estimated level.

Bankruptcy Filings

QUESTION: How can you justify your requested increase of 35 positions to enhance supervision of Chapter 11 cases when, by your own estimates, the number of those cases is declining?

ANSWER: The Trustee Program's continuing ability to fulfill its Chapter 11 responsibilities has been challenged by the growth in the total bankruptcy caseload since 1986. Whereas filings have declined slightly in the last eighteen months, the pending caseload remains substantial, with over 1.2 million cases pending in the bankruptcy system. Although bankruptcy filings have increased by 77 percent since the Program expanded nationwide in 1986, staffing has increased by only 28 percent over the same time period. Moreover, resources for the Program's Chapter 11 responsibilities have been severely strained as existing resources were redirected to the high risk areas of private trustee supervision and bankruptcy fraud. In a sense, the Program continues to play catch-up with the workload and the increased responsibilities we have assumed (e.g. the case closing responsibilities that were transferred from the courts to the Program through a Memorandum of Understanding).

The resources requested in the 1995 budget will permit the Program to carry out a new Chapter 11 policy initiative designed to bring cases to a more efficient and effective resolution by requiring that debtors meet their responsibilities and by providing better oversight of professional fees.

The initiative will build the capability of the Program to examine each Chapter 11 case that lacks creditor participation and determine the continued viability of the debtor based on such factors as cash flow, debt structure, the ability to remain current on taxes, the size of the market and the quality of the product. Data have demonstrated that the more quickly inappropriate Chapter 11 cases are converted or dismissed, the greater the distribution to creditors. Because only about 12 percent of the Program's open Chapter 11 cases have a formulated creditors' committee, the United States Trustee must fill the vacuum of providing oversight in the vast majority of cases where there is no other entity "minding the store."

Strengthening the Trustee Program's capability to determine the potential of a Chapter 11 debtor to restructure successfully will have a positive impact on the post confirmation stage of Chapter 11, in which debtors seek to implement the court-ordered plan of reorganization. Currently, a large majority of the reorganization plans under Chapter 11 fail to be implemented and, thus, never fulfill the promises made by the debtor to its creditors and the bankruptcy court.

Finally, the initiative will address the need to oversee professional fees in a case. During FY 1993, the Program's

attorneys entered over 2,000 objections to fee requests. However, since the Program does not have the authority to act on fees itself and must challenge professional fees before the court, the effort to undertake such a challenge requires significant professional time and resources.

Across-the-Board Cuts

QUESTION: There have been several attempts over the past year to mandate across-the-board cuts or general reductions against certain types of expenses as a way of offsetting additional spending. For example, an amendment was offered to the LA Earthquake Supplemental to rescind funds for travel, transportation, printing, other services, and supplies and materials.

1. **Are such reductions as harmless as the amendment's proponents claimed?**

2. **Can you provide any specific examples of how such a cut would impact your mission?**

3. **Do the reductions of $635,000 to absorb "Locality Pay" in your FY 1995 budget come out of the aforementioned types of expenses?**

ANSWER: Across-the-Board cuts will have a significant negative impact on the ability of the United States Trustee Program to carry out its mission of preserving the integrity of the bankruptcy system and to afford bankruptcy litigants the fair and impartial justice to which all other litigants in the federal courts are entitled.

The Trustee Program has already incurred substantial internal reductions in such categories as travel, transportation, printing, other services, supplies and materials in order to meet mandated absorptions (e.g., reimbursements to the Federal Judiciary for electronic access to court records in FY 1994 and locality pay increases in FY 1994 and 1995) and to address the growing administrative and supervisory responsibilities of U.S. Trustee offices that have been required in recent years.

Specifically, within the past two years, the Trustee Program has reduced travel non-essential to program operations by 41 percent, cut conference attendance by 75 percent, turned in all motor pool vehicles, virtually eliminated all renovation and furniture expenses, deferred critically needed upgrades to the automated case tracking system, and reduced training for the Trustee Program's employees by 64 percent. In other words, we have already cut back the administrative aspects of the Trustee Program to fund those activities which are essential to the successful implementation of the Trustee Program's mission.

Additional cuts to administrative areas could require the Trustee Program to take actions that would have a detrimen-

tal effect on program operations. For example, travel reductions would require the Trustee Program to consider canceling the rental of rooms throughout the country where meetings of debtors and creditors are held. The Bankruptcy Court sits in over 280 locations throughout the country, while the United States Trustee has offices in only 93 locations. To prevent debtors and creditors from travelling long distances to attend statutorily required meetings, the Trustee Program has contracted for the rental of meeting rooms and Trustee Program staff travel to meeting locations. The cancellation of such rentals would have a disproportionate impact on debtors and creditors who would have to travel further to attend these mandatory meetings and incur greater expense in the process.

Cuts to "other services" would affect the Trustee Program's ability to maintain our reimbursable agreement with the Inspector General for audits of private trustee operations. These audits are the primary tool for detecting fraud and abuse in the bankruptcy system. The effect of such a reduction would be to partially eliminate oversight of an area that has been determined to be a "high risk" by both the Office of Management and Budget and the Department's Inspector General, thereby increasing the likelihood of losses to bankruptcy estates through mismanagement, fraud or abuse.

Ultimately, such administrative cuts could require the consolidation or closure of offices in some judicial districts where bankruptcy caseloads have declined. Office closures impact the Trustee Program's ability to maintain the current level of private trustee oversight necessary to ensure adherence to fiduciary standards and the law. Moreover, reducing the number of offices would have the effect of making the bankruptcy system less accessible to both debtors and creditors.

TUESDAY, APRIL 19, 1994.

ANTITRUST DIVISION

WITNESSES

ANNE K. BINGAMAN, ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION

STEVEN C. SUNSHINE, DEPUTY ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION

STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION, JUSTICE MANAGEMENT DIVISION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER, JUSTICE MANAGEMENT DIVISION

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF, JUSTICE MANAGEMENT DIVISION

Mr. MOLLOHAN. Next, we will hear testimony on the Antitrust Division, which requests total new budgetary authority of $75,382,000 for fiscal year 1995, of which $33,460,000 will be derived from offsetting fee collections. We will insert into the record at this point the Antitrust Division's fiscal year 1995 budget justification.

[The justification follows:]

Department of Justice

Antitrust Division

Estimates for Fiscal Year 1995

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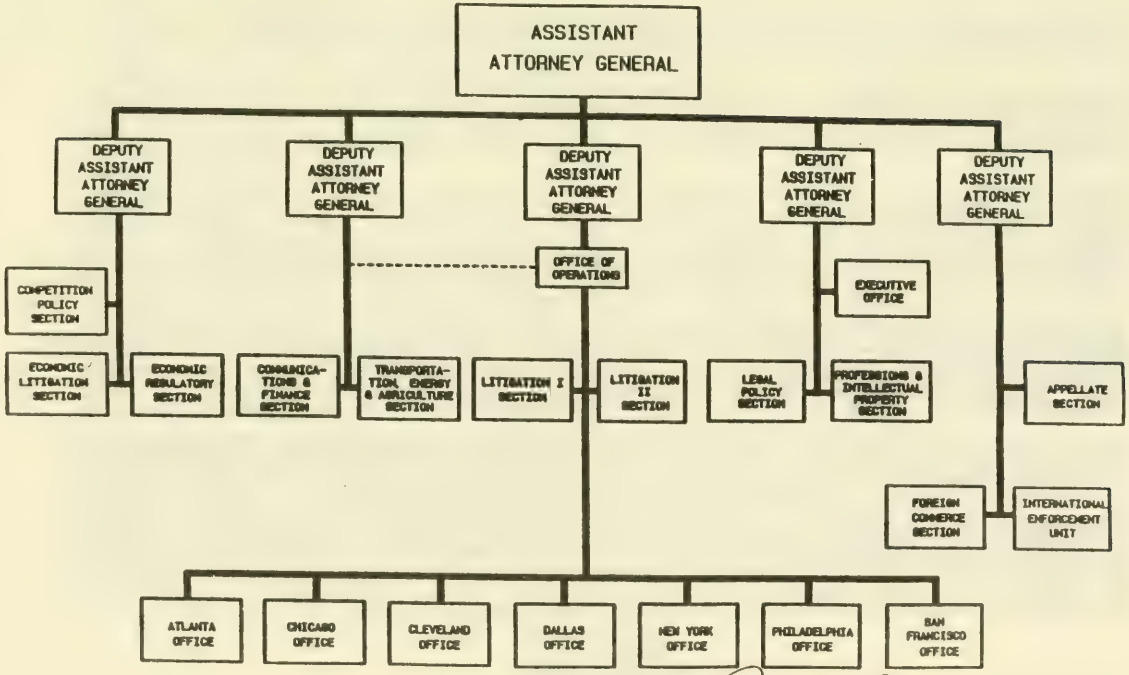
ANTITRUST DIVISION



Approved: Janet Reno Date 11/2/93
JANET RENO
Attorney General

Antitrust Division
Salaries and Expenses
Summary Statement
Fiscal Year 1995

Since 1990, funding for the Antitrust Division has come from two sources, a direct appropriation and indirect funding from fees required to be paid by acquiring firms in merger transactions reportable under the Hart-Scott-Rodino (HSR) premerger notification program. The Antitrust Division's request for funding in 1995 includes an appropriation of 411 positions, 398 workyears, and $41,922,000 by direct funding; and $33,460,000 derived from premerger filing fees in 1995 to support 352 positions and 292 workyears assigned to the Preservation of Competitive Market Structure Program. To provide for the collection of this increase of fee revenue, the Division proposes that the HSR premerger filing fee be raised from its current level of $25,000 per chargeable filing to $40,000. This increase, though substantial, should not negatively impact on companies required to file under HSR regulations due to the minimum $10,000,000 in net sales or total assets required before the HSR filing fee is applicable. This proposed HSR filing fee increase will provide for a "revenue neutral" 1995 funding increase for the Division. The net staffing increase of 101 positions, 48 workyears, and $6,533,000 that this change should generate will allow the Division to continue to reverse the harmful effect staffing decreases had on the Division's operations during the 1980's, further promote and protect the free market system in the United States, and address the increasingly important requirement of maintaining a level international playing field for U.S. companies. The total requested resources from both direct funding and filing fee revenue will provide 763 positions, 690 workyears and $75,382,000.

The Division's antitrust vigilance is essential to consumer and business welfare. Division priorities are: (1) reviewing proposed mergers, joint ventures and other such activities in which anticompetitive conduct could create or facilitate the exercise of inappropriate market power, to ensure they do not change market conditions by reducing competition and increasing consumers' costs; (2) prosecuting the white collar crimes of price fixing, bid rigging, and customer and territorial allocation that directly harm consumers by increasing prices and restricting output of goods and services; and (3) developing procompetitive market-oriented domestic and international economic policies. The increasing interrelationship between foreign markets and the American economy presents challenges and opportunities affecting all Division programs. The requested funding restores eroded resources and provides growth necessary to assure strong and effective antitrust enforcement in 1995.

An increase of 106 positions, 53 workyears, and $6,877,000 is requested for the Preservation of Competitive Market Structure Program. This change reflects an increased reliance on HSR filing fee revenue. The increase will provide the resources necessary to address an increasingly complex merger workload and a small projected increase in work resulting from recently-enacted joint production venture legislation. The level of proposed mergers requiring the Division's close attention remains high, and transactions posing substantial risk to competition are increasing. The Division requires additional resources to screen financial institution mergers, mergers of companies previously relying on military procurement and contracting, and developments in the structure of the health care industry, among others. More aggressive enforcement efforts are required, and close attention must be directed to the increasingly important international implications of mergers.

Existing resources will continue to be used effectively to manage the Division's Termination and Prevention of Private Cartel Behavior program to meet escalating workload, including health care fraud, resale price maintenance issues, collusion on financial matters, and other conduct that creates or facilitates the exercise of inappropriate market power. Criminal antitrust enforcement against bid rigging and price fixing is of critical importance. The Division's goal is both to punish those who have committed these white collar crimes and to deter such criminal conduct in the future. The Division's Federal, State, and local interagency cooperation efforts have increased detection of antitrust crimes and expanded caseload.

Antitrust and competition policy are important aspects of negotiations shaping U.S. international economic policy. Existing resources will continue to be managed carefully to address these issues adequately. Global developments in the Far East, Europe, the former Soviet Union, and Latin America are placing steadily increasing demands on the Division for leadership to guide all parties to procompetitive, free market solutions.

Existing resources will also be carefully allocated to support the ongoing process of competition advocacy. The Division has been asked to lead or participate in a number of essential initiatives pertaining to competition advocacy, particularly in the areas of health care, energy, telecommunications, and banking. This program has significant potential to save business, industry, consumers and taxpayers millions annually by reducing or preventing the adoption of regulatory requirements that impede competition.

It is essential to consumer and business welfare that antitrust vigilance be maintained at the Federal level. The United States domestic market is increasingly intertwined with the global economy, and American companies competing in both domestic and world markets have significant foreign competitors. America must take a global view of its free market system. Most importantly, antitrust enforcement analyses requires complex and detailed reviews of organizations operating outside U.S. boundaries, as well as foreign organizations operating within the United States. The increasing complexity and internationalization of our economy makes increased antitrust scrutiny absolutely critical. The Division's efforts are vital to the shaping of U.S. international economic policy and the protection of America's economic interests from predatory or obstructionist foreign competition and trade policies.

It also is particularly important to reinvigorate the Division's challenge to areas of antitrust enforcement that recently have been ignored, such as resale price maintenance and illegal practices by those with monopoly power, which rob American consumers of billions of dollars each year. The Division will need to grow if it is to pursue manufacturers that try to set high prices with retailers and squeeze out discounters, and scrutinize companies whose practices may harm competitors and consumers.

In short, there is much to be done to promote and protect the free market system in the United States. To meet the challenges of maintaining a fair and competitive marketplace within the United States, and a level international playing field for U.S. companies, the Antitrust Division requests total resources of 763 positions, 690 workyears and $75,382,000 to assure strong and effective antitrust enforcement in 1995.

Antitrust Division

Salaries and Expenses

Justification of Proposed Changes in Appropriation Language

The 1995 budget estimates include proposed changes in appropriation language listed below. New language is underscored, and deleted material is enclosed in brackets.

Salaries and Expenses, Antitrust Division

For expenses necessary for the enforcement of antitrust and kindred laws, [$66,817,000]; $75,382,000
Provided, That notwithstanding any other provision of law, not to exceed [$20,820,000] $33,460,000
of offsetting collections derived from fees collected for premerger notification filings
under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18(a)) shall
be retained and used for necessary expenses in this appropriation, and shall remain
available until expended: Provided further, That the sum herein appropriated shall be
reduced as such offsetting collections are received during fiscal year [1994], so as to 1995
result in a final fiscal year [1994] appropriation estimated at not more than [$45,997,000]; 1995 $41,922,000
Provided further, That any fees received in excess of [$20,820,000] in fiscal year [1994], $33,460,000 1995
shall remain available until expended, but shall not be available for obligation until
October 1, [1994]. 1995

Explanation of Change:

1. The first change requests a total fiscal year appropriation for 1995 of $75,382,000 instead of the total of $66,817,000 for 1994.

2. The second change will increase the Division's reliance on filing fees from $20,820,000 in 1994 to $33,460,000 in 1995.

3. Changes are proposed to update the provisions of the 1994 Appropriations Act an additional year so that the necessary authorities remain intact.

4. The fourth change requests a final fiscal year appropriation for 1995 of $41,922,000 instead of the final fiscal year appropriation of $45,997,000 for 1994.

5. The fifth change requests that any fees received in excess of $33,460,000 in 1995 shall become available in 1996.

6. A change to the Title VI General Provisions has been proposed requesting that the premerger filing fee be increased from $25,000 to $40,000 in 1995.

Antitrust Division
Salaries and Expenses
Crosswalk of 1994 Changes
(Dollars in thousands)

Direct Authority Activity/Program	1994 President's Budget Request			Conference Committee Appropriation Action on 1994 Request			Adjustment in Workyear Ceiling		Locality Pay		Reprogrammings			1994 Anticipated		
	Pos	WY	Amt	Pos	WY	Amt	Pos	WY	Pos	WY	Pos	WY	Amt	Pos	WY	Amt
Enforcement of antitrust and kindred laws:																
Direct Authority																
Federal appellate activity....	16	15	$1,563	...	1	$23	...	...	...	...	...	...	...	16	16	$1,586
Termination and prevention of private cartel behavior.....	241	200	23,106	4	31	685	...	3	-7	-8	...	...	...	238	226	23,791
Preservation of competitive market structure.....	41	34	6,100	1	8	185	...	...	...	...	...	...	...	42	42	6,285
Policy analysis, legislation and training.....	60	54	5,952	2	7	162	...	...	-3	-3	...	...	...	59	58	6,114
Competition advocacy program	34	30	3,029	...	4	92	...	...	-1	-1	...	...	...	33	33	3,121
Management and administration	65	66	5,067	2	...	33	...	...	-4	-3	...	...	...	63	63	5,100
Total, Direct.....	457	399	44,817	9	51	1,180	...	3	-15	-15	...	...	...	451	438	45,997
Indirect Authority - Filing Fees																
Preservation of competitive market structure.....	159	151	17,275	52	53	3,545	...	...	...	...	...	...	...	211	204	20,820
Gross budget authority.....	616	550	62,092	61	104	4,725	...	3	-15	-15	...	...	...	662	642	66,817

Congressional Appropriation Action. The enacted appropriation restored 1993 and 1994 mandatory personnel and administrative cuts in the amount of $2,300,000, and provided $2,425,000 to fund 50 FTEs for program enhancements.

Adjustment in Workyear Ceiling. These adjustments are made to accommodate the inclusion of stay-in-school employees in the workyear ceiling limitations.

Locality Pay. These adjustments reflect the staffing decreases required for the Division to absorb to fund the 1994 locality pay adjustments.

Antitrust Division

Salaries and Expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1994 Appropriation enacted	466	450	$45,997
Stay-in-school adjustment	...	3	...
Locality pay absorption	-15	-15	...
1994 Appropriation anticipated	451	438	45,997
Transfer of mail messenger operations	...	...	25
Transfer of direct funded positions to Hart-Scott-Rodino fee revenue	-35	-35	-5,763
Mandatory increases	...	...	3,170
Mandatory decreases	...	...	-1,163
1995 Base	416	403	42,266

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Direct Authority:												
Federal appellate activity	16	16	$1,586	16	16	$1,650	16	16	$1,650	...	...	...
Termination and prevention of private cartel behavior	238	226	23,791	238	226	24,975	233	221	24,631	-5	-5	-$344 a/
Preservation of competitive market structure	42	42	6,285	7	7	771	7	7	771	...	...	...
Policy analysis, legislation and training	59	58	6,114	59	58	6,341	59	58	6,341	...	...	...
Competition advocacy program	33	33	3,121	33	33	3,237	33	33	3,237	...	...	...
Management and administration	63	63	5,100	63	63	5,292	63	63	5,292	...	...	...
Total direct budget authority	451	438	45,997	416	403	42,266	411	398	41,922	-5	-5	-344 a/
Indirect authority - Filing Fees												
Preservation of competitive market structure	211	204	20,820	246	239	26,583	352	292	33,460	106	53	6,877
Gross budget authority	662	642	66,817	662	642	68,849	763	690	75,382	101	48	6,533

a/ A Program decrease of five positions and workyears and $344,000 is necessary in order to address the absorption of locality based pay in 1995.

Antitrust Division
Salaries and Expenses
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1993 Appropriation as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Direct authority:																		
Federal appellate activity.....	16	16	$1,522	14	14	$1,159	16	16	$1,586	16	16	$1,650	16	16	$1,650	...	...	...
Termination and prevention of private cartel behavior....	247	227	22,711	214	222	23,965	238	226	23,791	238	226	24,975	233	221	24,631	-5	-5	-$344
Preservation of competitive market structure.....	45	45	6,266	39	44	6,612	42	42	6,285	7	7	771	7	7	771	...	...	...
Policy analysis, legislation and training.....	62	61	5,907	54	60	6,233	59	58	6,114	59	58	6,341	59	58	6,341	...	...	...
Competition advocacy program.....	34	34	3,073	30	33	3,243	33	33	3,121	33	33	3,237	33	33	3,237	...	...	...
Management and administration.....	67	73	5,147	58	71	5,431	63	63	5,100	63	63	5,292	63	63	5,292	...	...	...
Total direct authority.....	471	456	44,626	409	444	46,643	451	438	45,997	416	403	42,266	411	398	41,922	-5	-5	-344
Indirect Authority Reimbursements:																		
Preservation of competitive market structure.....	156	148	16,900	150	143	15,834	211	204	20,820	246	239	26,583	352	292	33,460	106	53	6,877
Gross budget authority.....	627	604	61,526	559	587	62,477	662	642	66,817	662	642	68,849	763	690	75,382	101	48	6,533
Other Workyears, Direct Authority: Overtime/Other..		5			2			2			2			2			...	
Other Workyears, Indirect Authority: Overtime/Other..		3			1			1			1			1			...	
Total compensable workyears.....		612			590			645			645			693			48	

Antitrust Division
Salaries and expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement of antitrust and kindred laws	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Direct authority:												
Federal appellate activity.....	16	16	$1,586	16	16	$1,650	16	16	$1,650	...	...	...
Termination and prevention of private cartel behavior.....	238	226	23,791	238	226	24,975	233	221	24,631	-5	-5	-344
Preservation of competitive market structure	42	42	6,285	7	7	771	7	7	771	...	...	...
Policy analysis, legislation and training..	59	58	6,114	59	58	6,341	59	58	6,341	...	...	...
Competition advocacy program.....	33	33	3,121	33	33	3,237	33	33	3,237	...	...	...
Management and administration.....	63	63	5,100	63	63	5,292	63	63	5,292	...	...	...
Total direct authority.....	451	438	45,997	416	403	42,266	411	398	41,922	-5	-5	-344
Indirect Authority												
Filing Fees:												
Preservation of competitive market structure	211	204	20,820	246	239	26,583	352	292	33,460	106	53	6,877
Gross budget authority.....	662	642	66,817	662	642	68,849	763	690	75,382	101	48	6,533

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Federal appellate activity	16	16	$1,586	16	16	$1,650	16	16	$1,650	...	...	$...

Long-Range Goal: To provide effective representation before courts of appeals and the U.S. Supreme Court for antitrust cases and also representation in proceedings to review orders of certain regulatory agencies.

Major Objectives:

To support the sound and consistent development and enforcement of antitrust laws through the expert prosecution and defense of appeals in cases brought by the United States.

To protect the interests of the United States in the development of antitrust law through participation as *amicus curiae* in private antitrust appeals.

To advocate competition in appeals taken from regulatory proceedings.

Base Program Description: To provide effective representation, the Division prepares briefs in antitrust cases before the Supreme Court as authorized by the Solicitor General; represents the interests of the United States in the courts of appeals in all civil and criminal cases brought by the United States under the Federal antitrust laws; reviews challenged decisions of the Interstate Commerce Commission, the Federal Communications Commission, the Federal Maritime Commission and the Nuclear Regulatory Commission, and prepares an appeal position for the United States; and prepares and files amicus briefs in the Courts of Appeals and the Supreme Court in selected private antitrust cases. The Division's responsibility for appeals from decisions by district courts in antitrust cases and for participation as amicus curiae is defined by 28 C.F.R. §0.20 and 28 C.F.R. §0.40(a). Authority to represent the United States in proceedings to review orders of the Interstate Commerce Commission, Federal Communications Commission, Federal Maritime Commission and the Nuclear Regulatory Commission is contained in 28 U.S.C. §2341-2350.

Accomplishments and Workload: Accomplishments of the Federal Appellate Activity are presented in the following table:

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Administrative Law Cases						
Pending	152	269	a/ 300	300	...	300
Filed	123	107	110	110	...	110
Won	37	...	...	...	...	...
Lost	10	...	...	...	...	...
Dismissed	23	...	...	...	...	...
Antitrust Amicus Cases						
Filed	6	6	6	6	2	8
Won	3	...	...	...	...	...
Lost	...	...	...	...	...	...
Dismissed	...	...	...	...	...	...
Antitrust Division Cases in Courts of Appeals						
Filed	18	12	12	12	2	14
Won	13	4	...	...	...	...
Lost	3	...	...	...	...	...
Dismissed	1	...	...	...	...	...
Antitrust Division Cases in the Supreme Court						
Filed	3	1	1	1	1	2
Won	1	3	...	...	...	...
Lost	...	...	...	...	...	...
Dismissed	...	...	...	...	...	...

a/ There has been an increase in the number of pending administrative law cases caused by numerous petitions for review filed in response to several recent decisions of the Federal Communications Commission.

In the Supreme Court, the Division filed amicus briefs in five cases in FY 1993. For example, as the Division requested, the Supreme Court denied certiorari in DeKalb Board of Realtors, Inc., et al., v. Fletcher L. Thompson, et al., 113 S.Ct. 295 (1992). Agreeing with the Division's amicus brief, the Supreme Court also reversed a Ninth Circuit decision in an attempted monopolization case that had permitted a finding of liability based solely on conduct without consideration of the structure of the relevant market. Spectrum Sports, Inc., et al. v. Shirley McQuillian dba Sorboturf Enterprises, et al., 61 U.S.L.W. 4123 (U.S. Jan. 25, 1993). The Supreme Court also agreed with the Division's amicus brief in Hartford Fire Insurance Co., et al. v. California, et al., 61 U.S.L.W. 4855 4855 (U.S. June 28,1993). The Court held that an antitrust action brought by various states and others was not barred by principles of international comity or by the McCarran-Ferguson Act. The Division also filed an amicus brief in Professional Real Estate Investors, Inc., et al. v. Columbia Pictures Industries, Inc., et al., 61 U.S.L.W. 4450 (U.S. May 3, 1993). Finally, the Division also filed an amicus brief in a significant court of appeals case. In American Agricultural Movement v. Board of Trade, 977 F.2d 1147 (7th Cir. 1992), the court agreed with the Division's contention that a Board of Trade did not enjoy implied antitrust immunity under the Commodity Exchange Act for actions taken to deal with a threatened price squeeze.

In the courts of appeal during 1993, the Division won, in whole or in part, eight of the eleven cases decided. Many of the judgments rendered by appellate courts at the Division's request are important to all criminal enforcement work in the Department of Justice. In 1993, there were several appeals presenting theoretical or policy issues of significant interest. In United States v. Reicher, 983 F.2d 168 (10th Cir. 1992), the government successfully appealed a district court decision setting aside a jury verdict of guilty in a bid rigging case because the court believed that the conspiratorial agreement did not involve two "competitors." Noting that both parties to the bid rigging agreement had submitted bids, the court held that "in a bid rigging conspiracy, the determination of a per se antitrust violation depends on whether there was an agreement to subvert the competition, not on whether each party to the scam could perform." 983 F.2d at 172. In a subsequent decision in the same case, the court rejected the defendant's contention that the jury should have been given an instruction concerning the alleged acquiescence of the government in the bid rigging. United States v. Reicher, No. 93-2088 (10th Cir. decided Sept. 30, 1993). In Obron Atlantic Corp. v. William Barr, 990 F. 2d 861 (6th Cir. 1993), the court, interpreting the federal Wiretap Act (18 U.S.C 2510-2521), refused to enjoin the government from using either before a grand jury or at trial certain conversations that had been recorded by a corporate executive that implicated his employer in price fixing.

The Division's continuing enforcement of the AT&T Modified Final Judgment (MFJ) generates significant appellate activity. Since January 1990, there have been eleven decisions involving the MFJ. Several more MFJ-related cases are currently pending before the DC Circuit Court.

The Division expects its criminal caseload to generate an increase in criminal appeals. Congress has increased the maximum corporate fine for Sherman Act Section 1 violations from $1 million to $10 million. Moreover, the Sentencing Commission has amended the Sentencing Guidelines in a way that is likely to increase the penalties imposed on antitrust violators. While it is not possible to predict how these changes in the law will impact appellate activity, there has been a recent increase in the number of appeals raising sentencing issues and higher penalties may eventually contribute to that increase.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Termination and prevention of private cartel behavior	238	226	$23,791	238	226	$24,975	233	221	$24,631	-5	-5	-$344

Long-Range Goal: To promote and maintain competition in the American economy by reducing private cartel behavior that restrains trade or commerce.

Major Objectives:

To promote and maintain competition, economic efficiency, and the enhancement of consumer welfare by using criminal and civil enforcement of Section 1 of the Sherman Act to terminate and prevent agreements that restrain competition.

To limit cartel behavior in industries subject to state or Federal regulation to conduct that has been authorized by statute; to prevent the continuation of cartel behavior once statutes authorizing the approval of such behavior have been repealed.

To educate the public, business, legal professions, and other government agencies with respect to the principles of antitrust laws and enforcement policies.

To protect competition in industries which recently have been deregulated.

Base Program Description: The purpose of this program is to deter private cartel behavior by investigating and litigating violations of Section 1 of the Sherman Act. A wide range of investigatory techniques is used, including staff and FBI investigations, civil investigative demands, and grand jury investigations to detect collusion and bid rigging. Staff economists assist in collecting and analyzing market and pricing data, providing expert testimony where appropriate. Once the government detects and successfully prosecutes collusion, it may obtain fines or additional injunctive relief. The Division must monitor the firms subject to injunctions to ensure that they abide by the injunctive provisions of such relief.

The Sherman Act is both a civil and a criminal statute. Historically, the Division has proceeded by criminal investigation and prosecution in cases involving per se antitrust violations, for example, price fixing, bid rigging and horizontal customer and territorial allocations. In certain situations, however, the conduct may appear to be a per se violation of law, but criminal investigation or prosecution may not be considered appropriate. In addition, other conduct proscribed by Section 1 of the Sherman Act is analyzed under the rule of reason and is prosecuted civilly, not criminally. In such cases, civil compulsory process is used to investigate the alleged violation.

A matter commences with the opening of a preliminary inquiry. During this phase of an investigation, initial inquiries are made by Division attorneys and investigative agents. During or after the initial investigation a determination is made as to whether the conduct is criminal in nature, or should be pursued civilly. Hard core antitrust violations, i.e., price fixing, bid rigging, customer or territorial allocations, are handled criminally; all other violations are handled civilly by obtaining an injunction to stop the conduct. If evidence of a criminal violation is significant enough initially, a grand jury may be empaneled to investigate immediately. If the preliminary inquiry phase develops enough evidence to warrant going forward, civil investigative demands for information will be issued if the conduct under investigation would be a civil violation. Both criminal and civil compulsory processes are invaluable to the deterrence of antitrust violations.

The Division's vigorous prosecution of private horizontal restraints is essential. Cartel behavior has no redeeming economic virtues. Agreements among competitors entered into for the purpose of artificially restricting output and raising prices do not yield organizational efficiencies or economies of scale; they simply rob consumers. State and local law enforcement efforts, while contributing to the prevention of locally-oriented cartel behavior, cannot cope with the complex interstate and international nature of conspiracies investigated and prosecuted by the Division, and many states lack effective criminal sanctions essential to deterrence of such conduct.

In support of its important goal to collect government debts efficiently, the Antitrust Division follows systematic and effective procedures for collection of court-imposed fines, penalties and damages. Criminal fines and penalties are referred to the U.S. Attorneys' Offices and handled in accordance with procedures established by the Department's Office of Debt Collection.

Accomplishments and Workload: Accomplishments of the Termination and Prevention of Private Cartel Behavior Program are presented in the following table:

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Preliminary Inquiries						
Pending at start of year	116	116	116	116	...	116
Opened during the year	80	80	90	90	20	110
Closed during the year	80	80	90	90	20	110
Civil Investigations Initiated						
Non-merger investigations	63	63	70	70	15	85
Non-merger investigations Civil Investigative Demands (CIDs) Issued	4	10	15	15	20	35
Grand Juries						
Pending at start of year	150	144	144	144	...	144
Opened during the year	51	55	60	60	10	70
Closed during the year	57	55	60	60	8	68
Price Fixing Cases - Criminal						
Pending at start of year	93	68	63	58	...	58
Filed during the year	70	80	90	90	12	102
Closed during the year	95	85	95	95	15	110
Other Federal Crimes-Criminal (e.g., False Statements, Perjury, Obstruction of Justice)						
Filed	8	10	12	12	8	20
Won	8	...	...	...	...	...
Lost	1	...	...	...	...	...
Case Results ($000)						
Criminal Fines Assessed	$23,705	$42,000	$42,000	$42,000	$12,000	$54,000
Damages Resulting from Criminal Cases	$550	$1,000	$1,000	$1,000	$3,000	$4,000
Civil Asset Forfeiture	$27,800	...	...	...	...	...

During 1993, the Division filed 69 criminal price-fixing, bid-rigging and customer/territorial allocation cases against 50 corporations and 44 individuals; fines were assessed in the amount of $41.7 million, and sentences of 6,317 jail days (approximately 17 years) were imposed. The Division currently has approximately 150 grand jury investigations under way affecting scores of different industries.

Criminal sentencing increasingly is reflecting the serious nature of antitrust crime, emphasizing the deterrent impact of antitrust prosecution. Federal judges are developing an increased appreciation of the seriousness of antitrust crimes. In 1990, Congress provided courts with the ability to ensure that antitrust sentences appropriately fit the crime by increasing the maximum statutory fines for antitrust crimes. Fines for Sherman Act violations committed by corporations increased from $1 million to $10 million per count; for violations committed by individuals, fines increased from $250,000 to $350,000 per count. Probably the foremost development affecting the deterrent potential of an antitrust conviction is the promulgation of the U.S. Sentencing Commission's Sentencing Guidelines. For antitrust violations committed after November 1, 1991, organizational offenders are required to pay a fine of between 15 and 80 percent of the volume of commerce affected by the violation. Offenses committed before that date face a fine range between 20 and 50 percent of affected commerce. In 1992, the Guidelines were amended again to alter, inter alia, the provisions regarding the availability of probation and other alternative sentences.

The Division has had much success in targeting patterns of bid-rigging and price-fixing conspiracies. Often an investigation that begins with limited evidence involving a particular industry or geographic area will reveal through further investigation much broader conspiracies or related patterns of antitrust criminal violations. This has been the Division's experience in such diverse industries as milk distribution, electrical contracting, highway construction, waste management, soft-drink bottling, and steel and alloy pipe. In recent years, the Division has expanded its criminal investigations and prosecutions to include industries that typically have not been the subject of criminal antitrust scrutiny, such as the health care industry, where there may have been a long-held sense of "learned profession" exception. Price fixing and/or bid rigging by white-collar professionals is no less damaging than similar violations by waste-haulers, road builders or electrical contractors.

Health Care. A major concern of the Division is investigating suspected antitrust law violations by companies in the health care industry. Recent cases and investigations have involved a wide variety of health care matters in approximately 20 states. The Division concluded two grand jury investigations and is presently pursuing two others involving possible price fixing among competing health care providers and generic drug manufacturers. The Division is presently investigating approximately 15 significant civil matters in the health care field, many focusing on exclusionary conduct by competing doctors and hospitals to eliminate competition from managed care plans. Also, three favorable business reviews were issued that provide frameworks that will serve as useful guidance to the health care industry in the future. Of particular importance is the issuance in September 1993 of "Statements of Antitrust Enforcement Policy in the Health Care Area." This document, drafted in broad consultation with other governmental and private health care organizations, provided antitrust guidance to hospital and health care providers regarding mergers, joint ventures, and other collaborative activities. The policy statements will help alleviate uncertainty within the health care industry, making it easier for procompetitive, cost saving mergers and joint ventures to proceed.

In addition, the Division is an active participant in the Administration's program to develop a national health care strategy that will improve the health care system. The Division's efforts in this area are critical to insure that competitive concerns are addressed and a comprehensive system developed that will provide reasonably priced health care services to all.

Health care accomplishments also included:

(1) United States v. Burgstiner, which charged 22 obstetricians/gynecologists (OB/GYNs) (approximately 90 percent of the OB/GYNs in Savannah, Georgia) with conspiring to exchange present and prospective fee information and resulting in higher fees to patients. This case was settled by a consent decree enjoining defendants from engaging in price fixing and from exchanging any information about current or future fees;

(2) United States v. Hospital Association of Greater Des Moines, Inc., et al., which charged the association and five of its member hospitals with entering into agreements to restrict advertising of hospital services. A consent decree requiring the defendant hospital to independently determine advertising policies was filed and entered by the court;

(3) United States v. Greater Bridgeport Individual Practice Associate, Inc., which charged that the members of the association illegally boycotted a health maintenance organization (HMO) by refusing to contract individually with the HMO; and

(4) U.S. v. Bolar Pharmaceutical Co., Inc. The indictment in this case, filed December 17, 1992, charges two generic drug manufacturers, Bolar Pharmaceutical Co., Inc. and Vitarine Pharmaceuticals, Inc., and their presidents with conspiring to fix the price of generic Dyazide, a drug used for the treatment of hypertension, during the period February 1988 through April 1989. The defendants pled nolo contendere prior to trial and were fined a total of $1,540,000. Pursuant to a plea agreement, Robert Shulman, the former president of Bolar, pled guilty to identical charges in a separately filed information. Shulman was sentenced to 21 months in jail and a $20,000 fine, to run concurrent with his five-year jail sentence and $1.25 million fine for fraud, obstruction of justice and other charges brought by the U.S. Attorney for the District of Maryland.

United States v. C. Itoh. The Division's efforts to invoke the visitation clause of the consent decree in this case, in order to investigate possible violation of the decree, have raised interesting enforcement and jurisdictional issues. The parties to the consent decree are Japanese corporations that purchase large quantities of processed seafood from United States processors; however, except for the consent decree, the corporations are not otherwise subject to the jurisdiction of a district court in the United States. The Division has successfully moved the court to modify the decree to permit an investigation of possible anticompetitive and decree-prohibited practices by the Japanese firms, and to fashion orders to facilitate our interviews of Japanese citizens in Japan. The investigation is continuing.

Securities. On May 20, 1992, the Department of Justice and the SEC announced a $290 million civil settlement with Salomon Brothers, Inc. The Antitrust Division, as part of this global settlement, received $27.8 million from Salomon on September 16, 1992. This civil penalty resolved the Division's antitrust suit for Salomon's participation in an agreement to coordinate trading in the May 1993 two-year notes auctioned by the Treasury in May 1991. The $27.8 million asset forfeiture is the largest civil penalty ever received by the Antitrust Division and the largest payment to the Department's Asset Forfeiture Fund in 1992. This investigation has been continuing as the Division has turned its attention to other firms and other conduct. Division lawyers and economists have provided substantial assistance to the SEC's efforts.

Federal Procurement. Integral to the Division's criminal enforcement effort is an intensive probe of bid-rigging and price-fixing activities in connection with Federal Government procurement. The Division's high priority in this area has been the investigation and prosecution of bid rigging and price fixing on contracts let by the United States Department of Defense, including the U.S. Army Corps of Engineers. These cases have involved the procurement of military uniforms and gloves, dredging, moving and storage services for military personnel, dairy products, and various medical products. Division prosecutions have charged violations of Section 1 of the Sherman Act, mail fraud, false statements submitted to government agencies, perjury, conspiracy to defraud the U.S. Government, illegal gratuities, destruction of government records, and aiding and abetting. Approximately 260 defendants have been convicted, with fines and damages totaling $62 million. Of the Division's current 140 grand jury investigations, 77 are focused on federal, state and local government procurement programs.

Since early 1992, the Antitrust Division has been working with the Defense Fuel Supply Center (DFSC) to sensitize its staff to the antitrust laws and to encourage them to call to our attention matters of antitrust concern. Each year, the DFSC contracts for the purchase of fuels and fuel-related services worth over $5 billion for the Federal Government. Results from this cooperative effort between the Division and the DFSC are already visible, and it is anticipated that additional significant matters will be referred to the Division for investigation. Two current matters involve possible antitrust violations in the bidding for the supply of ground fuels for military camps and for the supply of coal to the Government. The Defense Criminal Investigative Service is assisting the Division in these investigations.

The Division is assisting the U.S. Army to determine whether it has been receiving competitive bids on specific munitions systems, whether the Army should receive compensation and how much, in the event it has been receiving non-competitive bids, and whether injunctive relief is appropriate to change munitions industry bidding practices. A recent success in this area was the settlement awarded on January 20, 1994, under which Alliant Tech Systems Inc. and Aerojet agrees to pay the Federal government $12 million in relation to their alleged inappropriate joint production of cluster bombs.

Milk for Schools. A significant area of activity has been the numerous investigations into bid rigging on contracts to supply dairy products to institutions, primarily schools. During 1993, there were 34 dairy cases filed against a total of 21 corporate and 19 individual defendants. Slightly more than $21 million in fines was imposed on dairy defendants in 1993. A large part of that, $7 million, came from the sentencing of Flav-O-Rich, Inc. on seven cases filed last September as part of a global settlement. During 1993, the Division has filed a total of 107 criminal cases in the dairy industry against 60 corporations and 67 individuals. Total fines and civil damages amount to $57.5 million.

On April 28, 1993, Barber Dairies, Inc. was charged with participating in a bid-rigging conspiracy during the 1980's involving contracts to supply milk to county and independent schools in northeast Alabama. Barber Dairies pled guilty on June 25, 1993 and was fined $1 million. During 1993, Barber was fined an additional $1 million as a result of a criminal case that was brought in 1992 charging bid rigging for the supply of milk to schools in Alabama and Florida.

A notable recent case is U.S. v. Borden, Inc. (N.D. Tex.), in which Borden pled guilty to a five-count information and was convicted. The charges in the case involve bid rigging on milk contracts let by Texas school districts, a military base, and some other major public facilities. On May 21, 1993, Borden was fined a total of $7.5 million and a civil settlement also was paid to the United States totaling $500,000.

U.S. v. Canstar Sports U.S.A., Inc. This is a civil action charging the defendant with engaging in resale price fixing in connection with the sale of certain types of hockey skates during most of 1990. A consent judgment entered on September 17, 1993, prohibits the defendant from directly or indirectly agreeing with its dealers to fix resale prices for hockey skates. This is the first resale price maintenance case filed by the Division since 1980, and other resale price maintenance investigations are being actively encouraged.

Steel Drums. A three-count indictment was filed in U.S v. Johan Bruil, et al. on March 6, 1991, charging five individuals, three companies and a trade association with mail fraud and participating in a conspiracy to fix the prices of steel drums sold between October 1988 and May 1990 in the east central region of the United States (Ohio, Michigan, western New York, western Pennsylvania and West Virginia). New steel drums are large steel containers which are used frequently for packaging chemical and petroleum products. Four defendants pled guilty prior to trial while another defendant pled guilty during the trial. Following a six week trial concluding in 1993, three defendants were convicted and one was acquitted. Total fines imposed in this case were $3.12 million, and three individuals were sentenced to serve an average of 23 months in jail.

On June 8, 1993, Russell-Stanley Corporation was charged with price fixing, mail fraud and obstruction of justice in connection with new steel drums offered for sale to customers in several east coast states. On June 10, 1993 Russell-Stanley pled guilty and was fined $1,850,000.

The Division's investigation of price fixing by manufacturers of steel drums has resulted in convictions in separate conspiracies in the east and Midwest, significant fines (over $8.2 million), and jail sentences. The investigation is continuing through four grand juries.

Telecommunications. A one-count indictment was filed in U.S. v. NYNEX Corporation on May 31, 1990, charging NYNEX of New York with criminal contempt for violating the 1982 consent decree that settled the litigation in U.S. v. American Telephone & Telegraph Company, et al. The indictment charged that NYNEX, through its subsidiary, Telco Research Corporation, violated the Modified of Final Judgment between April 1986 and February 1987, by providing information services to its customer, MCI Communications Corporation, that allowed MCI access over telephone lines to Telco Research's computer facilities on Telco Research premises. After trial, a verdict was rendered in favor of the government on February 16, 1993, and NYNEX was fined $1 million for its criminal contempt violation. In November 1993, the U.S. Court of Appeals for the District of Columbia, overturned the ruling, saying the NYNEX arrangement could fall under an exception which permitted providing "customer premises equipment."

United States v. The Stanley Works, et al. The Division conducted a criminal prosecution of four companies and their employees who engaged in a two-year, nationwide conspiracy to fix the prices of architectural hinges, the heavy-duty hinges used in office buildings, public buildings, and other high-use areas. The prosecution resulted in guilty or nolo pleas for all four companies and four individual defendants. This conspiracy was very serious because of its nationwide scope and the large profits realized by the defendants as a result of their wrongdoing. This latter point was recognized by Judge Cahill, the District Court judge in St. Louis, who in March 1993 sentenced the defendants to pay fines totaling $8 million. The Court sentenced defendant The Stanley Works to pay $5 million, the largest fine ever imposed for one count of price-fixing. The court also sentenced defendant McKinney Products Company to pay a $2 million fine.

United States v. Fremont Chemical Co. and Donald Aycock. This multi-count case charges the defendants with three separate market-allocation conspiracies, with different competitors in South Dakota and Colorado, and a bid-rigging conspiracy in Wyoming. This is the second, and most significant, case filed as a result of the Division's multi-state investigation into marketing practices in the magnesium chloride industry (magnesium chloride is a dust suppressant used on dirt and gravel roads).

Road Marking. On April 29, 1993, Oglesby Construction, Inc. was charged with participating in a bid-rigging conspiracy involving highway pavement marking contracts in the state of New York. On May 24, 1993, Oglesby pled guilty and was fined approximately $1.3 million.

Institutional Food/Wholesale Groceries. The Division has filed three more criminal cases in its grand jury investigation of wholesale grocery product bidding to school districts and other public facilities in southeast Texas. As a result of the government prosecutions in this industry in southeast Texas, several school districts were able to bring and settle a private civil action brought to recover damages from participants charged in the scheme, and food service companies have made restitution agreements and payments to numerous other school districts in southeast Texas. Assisted by the Department of Agriculture, the Division also recently opened a grand jury investigation in South Georgia into possible bid rigging on contracts to provide bread to public schools. To date, five defendants have pled guilty and were fined a total of $2.7 million.

Home Heating Oil. On April 2, 1993 all of the defendants - 3 individuals and 2 corporations - entered pleas of guilty in U.S. v. Oyster River Petroleum, Inc., et al., a criminal case charging the defendants with fixing the price of home heating oil sold to consumers in the New Haven, Connecticut, area. The defendants also settled a parallel private antitrust treble damage action brought by the State of Connecticut. The matter was initially called to the Division's attention by the State of Connecticut antitrust bureau, and Division staff worked closely with that office throughout the investigation and prosecution. In his press release issued on April 2, 1993, Richard Blumenthal, speaking as chair of the Executive Working Group for Antitrust, which coordinates antitrust policy between the state and federal antitrust enforcement agencies, stated: "Today's result is one of the finest examples of federal-state antitrust cooperation."

Cooperation with Other Agencies. The Division has developed communication networks with and has been assisted by investigators and agents from numerous Federal, state, and local agencies, such as: the Departments of Defense, Agriculture, Transportation, and Housing and Urban Development; the Customs Service; the U.S. Attorneys; the Federal Bureau of Investigation; the General Services Administration; the Defense Criminal Investigation Service; the U.S. Postal Service; the Resolution Trust Corporation; State Attorneys General; and Federal, state, and local procurement officials. This cooperation has been very effective, enabling the Division to complete investigations more efficiently by freeing Division attorneys from conducting numerous interviews, allowing them more time for organizing and presenting evidence. Examples where cooperative efforts have led to improved antitrust enforcement include:

— The Division's State Procurement Initiative provides training and other assistance to Federal, state and local procurement officials on how to detect, report, and investigate suspected anticompetitive contracting activities. This program has been well received by Federal investigatory agencies, State Attorneys General, and procurement officials. These cooperative efforts have been invaluable in cases such as an industrial diamond investigation, real estate auction pooling, and school and military milk contract bid rigging.

— The Division and the Attorneys General of several states have examined bid rigging in school and military milk contracts in the United States. Through September 14, 1993, these investigations have resulted in the filing of 103 criminal cases against 57 corporations and 66 individuals. Fines and damages total nearly $54.7 million. Thirty-one milk grand jury investigations are now active in 21 states.

— An ongoing investigation begun under the Division's corporate amnesty program has received outstanding support from the FBI, both in gathering information and changing the investigative approach to the industry. The FBI is also supplying the assistance of an expert witness, supporting the Division's magnesium chloride investigation.

— The anticipated filing of criminal cases in the forestry industry is in part the result of excellent work by the Department of Agriculture Inspector General's Office in executing a search warrant and in assisting throughout the investigation in gathering information and evidence.

— In the successful prosecution and trial of a defendant for rigging bids on HUD foreclosure sales, U.S. v. Robert Guthrie (E.D. WA), we received outstanding support during the investigation and trial from the Department of Housing and Urban Development Inspector General's Office. The IG assisted throughout the investigation by gathering information and facilitating Division contacts with HUD employees.

Savings to consumers and taxpayers as a result of the deterrent effect of antitrust enforcement multiply the cost effectiveness of resources devoted to eliminating price fixing, bid rigging and market allocations among competitors. The Division's economic analysis staff conducted a review of available data and concluded that anti-cartel enforcement activities save the Federal Government, through restrained prices of goods and services purchased by the government, anywhere from $400 million to $1.85 billion per year. The most conservative estimate is still nine times greater than the direct appropriation for the entire Antitrust Program. This program operates in the best interest of both the Government and the U.S. consumer because both are adversely affected by anticompetitive practices.

Program Changes:

	1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Termination and prevention of private cartel behavior.....	238	226	$24,975	233	221	$24,631	-5	-5	-$344

Program Changes
Existing resources will be carefully managed to aggressively pursue criminal and civil violations and support strong national and international antitrust law enforcement. However, a program decrease of five positions and workyears and $344,000 is necessary in order to fully absorb the 1995 annualization of the 1994 locality pay raise.

Benefits
Over the past few years, the Division has been expanding its enforcement activities in the health care field. The objective has been to enforce the antitrust laws to prevent those practices that interfere with free competition in the health care market and the development of managed care. In the past year, the Division moved closer to that objective. Division cases and investigations have involved a wide variety of health care matters in 21 states. The Division concluded three grand jury investigations and is presently pursuing other matters involving possible price fixing or bid rigging among competing health care providers. The Division also has recently completed or is still investigating 20 significant civil matters in the health care field, ranging from exclusionary conduct by competing doctors and hospitals to eliminate competition from managed care plans to agreements by competing hospitals to limit their advertising or to use their market power to negotiate jointly with third-party payers. Also, a number of requests for business reviews were received that presented complicated and challenging competitive issues. These business review letters should provide useful vehicles to articulate analytical frameworks that will serve as useful guidance to the health care industry in the future. The Division is actively pursuing antitrust violations by health related businesses and deterring spiralling cost increases for the vital health care services.

The Antitrust Division is conducting simultaneous probes of several overseas cartels that have the ability to set prices and restrict markets. Prime target for scrutiny will be price fixing cartels that operate around the world and in connection with U.S. companies. The Division is conducting about half a dozen separate investigations of suspected overseas price fixing in highly concentrated basic industries. The affected industries include minerals and basic manufacturing components. We suspect substantial abuses are occurring where there is a worldwide market and a small number of producers, but the distance between suspicion of collusion and the evidence needed to make a case in court can be significant. If a foreign cartel bars American exporters from competing and if the nation involved fails to enforce its laws against the cartel, the U.S. now has the unfettered authority to sue subsidiaries of the foreign cartel with operations in this country.

The Division also will be leading an effort to sign agreements with the European Community and other countries to make it easier to challenge cross-border transactions. Also, Latin American countries, whose industries have long been burdened by cartels that inflate and discourage or eliminate rivals, are getting assistance from the Division in launching and enforcing antitrust policies to open up markets.

The Antitrust Division has begun to review allegations of illegal monopolization by the Microsoft, Corp. Should the Division decide to further investigate and then prosecute Microsoft, it will be a long project, requiring the careful management of existing staff resources.

The Vertical Restraints Guidelines were revoked in 1993 because they did not set forth the Division's current analysis of vertical practices and were not consistent with judicial interpretations of the antitrust laws. By expanding the Corporate Leniency Policy and revoking the Vertical Restraints Guidelines during 1993, the Division has made significant strides to enforce more effectively the antitrust laws. The Division anticipates aggressively investigating more vertical price fixing allegations in the future.

During 1995, the Division will continue to broaden several ongoing investigations as increased enforcement uncovers widespread collusive activity. The Division has found that proactive efforts to uncover criminal activity, when properly focused based on a history of collusion in related areas, have a good success record. The requested resources can be anticipated to return substantial benefits to consumers in the form of competitive prices and will pay for themselves directly in fines returned to the Treasury.

Telecommunications is an expanding industry that will require careful monitoring. In addition to a wide range of telecommunications issues affecting competitive markets, the Division has been urged by Senator Inouye to investigate to determine if cable companies have colluded and violated antitrust law in their lock-step refusal to make payments to local TV stations (right to charge cable systems programming fees) -- known as retransmission consent.

Fines and damages resulting from this program were approximately $43 million in 1993. However, they represent only a small part of the return on investment to the Treasury. Savings to consumers and taxpayers as a result of the deterrent effect of antitrust enforcement multiply the cost effectiveness of resources devoted to eliminating price fixing, bid rigging and market allocations among competitors.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Direct												
Preservation of competitive market structure	42	42	$6,285	7	7	$771	7	7	$771	...	...	...
Indirect: Filing Fees												
Preservation of competitive market structure	211	204	20,820	246	239	26,583	352	292	33,460	106	53	$6,877
Total	253	246	27,105	253	246	27,354	359	299	34,231	106	53	6,877

Long-Range Goal: To enhance the ability of markets to function efficiently by preventing mergers and acquisitions that may lessen competition and by preventing and dissipating monopoly power acquired or maintained by purposeful conduct inconsistent with competition on the merits.

Major Objectives:

To implement a coherent merger enforcement program which prevents mergers that threaten to reduce competition in specific markets while minimizing governmental interference with transactions having no significant potential for harm.

To enforce effectively the premerger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

To prevent or dissipate monopoly power that is sought, obtained or maintained through anticompetitive conduct.

Base Program Description: The purpose of this program is to prevent or dissipate unlawfully acquired or maintained monopoly power and to enjoin mergers that may lessen competition. The potential economic benefits of preventing monopolization of, and undue concentration in, particular markets are substantial. The Division promotes and maintains the competitive structure of the national economy through investigation and litigation of instances in which monopoly power is sought, attained, or maintained through anticompetitive conduct and by seeking injunctive relief against mergers and acquisitions that may tend substantially to lessen competition. The principal statutes enforced under this program are section 2 of the Sherman Act and section 7 of the Clayton Act. The Division's responsibility for this enforcement program is found in 28 C.F.R. §0.40(a).

Accomplishments and Workload: Accomplishments of the Preservation of Competitive Market Structure Program are presented in the following table:

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Premerger Notifications	1,589	1,853	1,853	1,853	...	1,853 a/
Chargeable, fee-generating, Notifications	1,386	1,673	1,673	1,673	...	1,673 a/

a/ Accurate prediction of these values is difficult due to their heavy dependence on economic markets.

Preliminary Inquiries						
Pending at start of year	125	128	126	124	7	131
Opened during the year	147	172	172	172	50	222
Closed during the year	144	174	174	174	30	204
Civil Investigations Initiated						
Total merger investigations	87	103	130	130	18	148
Hart-Scott-Rodino - HSR	52	63	78	78	6	84
Non-HSR	35	40	52	52	12	64
Merger investigations second request and/or CIDs issued - HSR	22	30	42	42	10	52
Merger investigations CIDs issued - Non-HSR	9	8	12	12	20	32
Non-Merger investigations initiated	63	76	88	88	20	108
Merger Cases						
Pending at start of year	10	9	6	5	...	5
Filed during the year	4	5	10	10	18	28
Closed during the year	5	8	11	11	12	23
Proposed Merger Transactions						
Restructured/Abandoned on Announced Intent to Challenge by the Division	4	5	7	7	8	15
Restructured/Abandoned before Final Decision to Challenge by the Division	1	...	2	2	2	4

Section 7 of the Clayton Act, as amended by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, requires certain enterprises that plan to merge or to enter into acquisition transactions to notify the Antitrust Division and the Federal Trade Commission of their intention, and to submit certain information to those authorities. Hart-Scott-Rodino premerger notifications provide advance notice of potentially anticompetitive transactions and allow the Division to identify and block potentially anticompetitive transactions before they are consummated. During an average month, the Division reviews the potential competitive effects of nearly 150 transactions, the majority of which come to its attention through Hart-Scott-Rodino Act premerger notifications.

In 1993, the Division reviewed over 1,800 premerger notifications and challenged five proposed mergers and acquisitions in court that would have reduced competition in the affected markets. Five additional transactions were restructured or abandoned as the result of the Division's announced intent to challenge them. In addition, in 1993 the Division filed two Section 7A cases pursuant to the Clayton Act, 15 U.S.C. §18(a), which requires notification to the Division of proposed mergers. Civil penalties totalling $2.4 million have been imposed, of which $2.0 million have currently been paid. Currently, the Division has four open section 7A investigations. The Division has challenged two more mergers in 1993 than in 1991 and anticipates challenging a higher number of large and more complex mergers in 1994 with additional increases in 1995. The number of merger investigations and cases remains high and are once again being vigorously pursued. These investigations and cases are becoming increasingly complex, many with international connections.

The Department's Merger Guidelines serve as the analytical framework with which the Division evaluates a proposed merger. On April 2, 1992, the Department and the Federal Trade Commission (FTC) jointly issued the Horizontal Merger Guidelines, revising the Department's 1984 Merger Guidelines and the FTC's 1982 Statement Concerning Horizontal Merger Guidelines. The publication marked the first time that the two Federal agencies that share antitrust enforcement jurisdiction have issued joint guidelines.

Central to the 1992 Department of Justice and Federal Trade Commission Horizontal Merger Guidelines is a recognition that sound merger enforcement is an essential component of our free enterprise system, benefiting the competitiveness of American firms and the welfare of American consumers. Sound merger enforcement must prevent anticompetitive mergers, yet avoid deterring mergers that are procompetitive or competitively neutral. The 1992 Horizontal Merger Guidelines implement this objective by describing the analytical foundations of merger enforcement and providing guidance that enables the business community to avoid antitrust problems when planning mergers.

The new Horizontal Merger Guidelines observe, as did the 1984 Guidelines, that because the specific standards they set out must be applied in widely varied factual circumstances, mechanical application of those standards could produce misleading results. Thus, the Guidelines state that the agencies will apply those standards reasonably and flexibly to the particular facts and circumstances of each proposed merger.

It is anticipated that the Antitrust Division and the Federal Trade Commission will announce in 1994 revisions to the Hart-Scott-Rodino premerger notification rules and form. The proposed rule changes are highly technical in nature. The form changes are designed to minimize the burden on raporting parties while increasing the useful information received by the government.

The Division is increasing its cooperative efforts with the states' attorneys general offices in merger investigation. On March 6, 1992, a new procedure was established under which the Antitrust Division and state antitrust enforcement agencies can coordinate the collection of information in investigating mergers when the parties voluntarily agree to waive confidentiality requirements. This coordination is aimed at minimizing problems in instances where the Division and one or more state governments simultaneously investigate a single merger transaction, which can result in duplicative, overlapping and sometimes inconsistent requests for information, increase considerably the costs of compliance, and impede coordination. At the same time, if federal and state enforcers are unable to discuss the merits of proposed transactions based upon commonly collected information, they can reach divergent enforcement conclusions. The new procedure permits the merging parties, at their initiative, to facilitate coordinated state and federal investigations, which can provide substantial benefits to merging parties, as well as to federal and state antitrust enforcement authorities. This protocol increases the likelihood of consistent enforcement conclusions among the agencies.

The Division has recently coordinated its efforts with the states on a number of matters. For example, even prior to issuing the protocol, the parties in the Stanley/Newell investigation sent a letter to the Division giving permission for the Division to communicate with the Connecticut Attorney General about the acquisition. Cooperation has included discussion of theories of the case and information obtained from interviews. In the bank merger area, state-federal cooperation has also been extensive. In the Fleet/Norstar case, the Maine and Connecticut Attorneys General provided assistance in evaluating the transaction. When competitive concerns were found in Maine, the Division worked jointly with the Maine Attorney General on appropriate divestitures. Because the Division resolved Maine's concerns, the Maine Attorney General chose not to file an antitrust case on behalf of the state. In the Bank America/Security Pacific merger, the Division coordinated efforts with five states. The Division and the states discussed various potential theories, discussed evidence whure all had access to the same documents and information, and the Division acted as the intermediary between the states, the Federal Reserve Board, and the banks. Consequently, a very favorable settlement was obtained, and the Federal Reserve Board entered an order directing the divestitures. This procedure eliminated time and expense on the part of both the federal and state agencies of drafting and enforcing decrees and allowed the parties to proceed with the transaction as rapidly as possible. Similar cooperation occurred on the Society/Ameritrust, NCNB/Sovran, Barnett Bank, Minneapolis Bank, and Texas Commerce investigations.

In 1992 and 1993, there were dramatic developments in the financial services industry, and in banking in particular. Several mergers of large banks were proposed, requiring intensive investigation by the Division. The Department has a statutory obligation to provide the banking agencies with reports on the competitive significance of many bank mergers. In 1994, the Division projects 1,100 such reports and the review of 1,990 bank mergers. It is expected that bank mergers, including particularly mergers of banks in direct competition with one another, will continue at the current rate. These investigations are usually complex and resource-intensive.

The Division investigated the merger of BankAmerica Corporation and Security Pacific Corporation, the largest bank merger in American history. After an extensive investigation by the Division, BankAmerica agreed to divest 211 branches, approximately $8.8 billion in deposits, approximately $3.3 billion in loans, and related facilities and personnel to resolve competitive concerns arising from the merger.

The Division completed several other investigations of large bank mergers, including the acquisition of Manufacturers Hanover Corporation by Chemical Banking Corporation, the acquisition of C&S/Sovran by NCNB, the acquisition of Manufacturers National Bank by Comerica, the acquisition of Bank Shares, Inc. by First Bank System, Inc., and the acquisition of First Florida Banks by Barnett Banks, Inc. In NCNB-C&S/Sovran, the Division's investigation led the parties to agree to additional divestitures to resolve potential antitrust concerns. In First Bank System Bank Shares, the transaction was restructured in part to resolve antitrust concerns raised by the Division. In the other cases, as in many smaller merger investigations, the Division's investigation concluded that the mergers did not present any competitive concerns.

In 1993, the Division filed two complaints and proposed consent decrees in the Northern District of Texas in connection with the acquisition by Texas Commerce Bank Shares, Inc. of the bridge banks in Midland and Beaumont, Texas, established by the Federal Deposit Insurance Corporation from the failed First City Banks in those cities. The decrees required divestiture of First City's office in Midland and all of its assets and deposits, except its trust business and possibly, its indirect consumer loans, and at least two and as many as three of First City's offices in Beaumont and the deposits and loans of those offices, as well as all commercial loans of more than $500,000 and the deposits of those commercial loan customers. Consent decrees were entered by the court in August 1993.

Another area of activity is mergers in the defense industry. As defense spending declines, defense contractors are beginning to merge or sell off portions of their businesses. For example, in 1992 the Division investigated the purposed acquisition of the Missile Division of the General Dynamics Corporation by the Hughes Aircraft Company, a subsidiary of General Motors. Hughes and General Dynamics were both significant suppliers of tactical missiles to the U.S. military. Also, the Division investigated Martin Marietta Corporation's acquisition of General Electric Aerospace. Both firms were significant suppliers of low-earth orbiting satellites, infra-red search and tracking systems and interplanetary spacecraft. The Division expects an increase in mergers of defense contractors. These transactions will be complex and difficult to analyze, and will require close cooperation between the Division and the Department of Defense, NASA and other affected agencies.

In contemplation of the expected dramatic restructuring of the defense industry, the Department of Defense, under the leadership of its General Counsel, has assembled a task force to review the economic implications of consolidation. The committee is expected to recommend standards of review, relevant data, and key issues to the DOD to enable the Department to evaluate particular merger and acquisition transactions in the defense industry. The Antitrust Division has a member on the panel who has been an active participant along with representative of defense industry firms, academia, and the private bar.

During 1993, the Division filed five merger cases and announced its intent to challenge five other transactions. Of those five transactions, three were restructured and two were abandoned.

The Division devoted substantial resources in 1993 to the enforcement of the AT&T decree. Waiver requests, complaints, and interpretation matters consumed substantial supervisory and staff time. The workload generated by the decree is illustrated by the fact that in 1993 the Division submitted to the court filings regarding eight requested waivers, as well as 23 filings involving solely exchange area realignments and four procedural filings. The issues that arise under the decree often present complex factual, economic, and legal questions that are critically important to the telecommunications industry. The explosive growth of the cellular telephone business and new technological developments in the equipment used to provide that service have raised a number of issues about what the decree does or should permit the Bell Operating Companies (BOC) to do in that area. For example, the Division has devoted considerable time to investigation and analysis of the BOCs' request that all wireless services, including cellular, be exempted from the interpretation and equal access provisions of the decree. Past modifications of the decree, such as the lifting of the information services restriction, have led to new questions of interpretation and requests for further waivers on issues such as the extent to which the interexchange restriction affects the provision of information services. The Division expects the need for action on enforcement and interpretation matters to continue.

The Division continues to be committed to enforcing the Modified Final Judgment restrictions imposed on the BOCs pursuant to the AT&T divestiture, and the Division continues to investigate and respond to a variety of complaints of alleged violations of the decree's line of business and nondiscrimination requirements.

The Division filed a case against NYNEX Corporation for criminal contempt of the AT&T consent decree arising from its provision of an on-line data processing service to MCI in violation of section II(D)(1) of the decree, which then prohibited a BOC from providing information services. On February 16, 1993, the trial court found NYNEX guilty of criminal contempt, and imposed a $1 million fine. NYNEX appealed and arguments were made in Washington, D.C. Circuit Court on September 15, 1993. On November 12, 1993, the Court of Appeals reversed and vacated the judgment of the district court.

As a result of Division enforcement activities, the BOCs have improved their internal compliance procedures. The Division continues to be committed to enforcing the Modified Final Judgment restrictions imposed on the BOCs pursuant to the AT&T divestiture, and the Division continues to investigate and respond to a variety of complaints of alleged violations of the decree's line of business and nondiscrimination requirements.

United States v. Cookson Group plc, et al. On February 5, 1993, the United States District Court for the District of Columbia entered a consent judgment arising out of the acquisition by Electrovert Limited, a wholly-owned subsidiary of the Cookson Group plc, of the Hollis Automation Co. Electrovert was the largest North American seller of wave soldering machines, and Hollis was the second largest. Wave soldering machines are used to attach electronic devices to a printed circuit board. The judgment was unique in that it required as a means of correcting the competitive problem that Electrovert license Hollis' wave soldering technology to at least two other industry producers. Hollis possessed valuable "hot air knife" technology, which minimized solder defects for many customers. The Division concluded that making Hollis' technology available to other producers would correct the anticompetitive consequences of the acquisition. Divestiture occurred and the case was closed on August 23, 1993.

ZF Friedrichshafen/GM-Allison Proposed Acquisition. In September 1992, the Division began a premerger investigation of the proposed acquisition by ZF Friedrichshafen AG ("ZF") of the Allison Transmission Division ("Allison") from General Motors Corp. ("GM"). On November 16, 1993, the Division filed a lawsuit to block this proposal. Allison, located in Indianapolis, Indiana, is the world's largest manufacturer of medium and heavy duty automatic transmissions used in a wide range of commercial and military automotive applications. ZF, of Friedrichshafen, Germany, also is a leading producer of such transmissions. The proposed transaction raised significant competitive concerns stemming from the parties' positions as two of only a few suppliers of automatic transmissions for medium and heavy duty vehicle applications, not only in the United States but also on a worldwide basis. The Division was concerned that the proposed sale would result in higher costs for public-transportation consumers and in poorer service to transmission customers. In addition, the Division was concerned that the proposed transaction would have substantially lessened competition in the global market for technological innovation in medium and heavy automatic transmissions, in which Allison and ZF are by far the dominant competitors. The combined Allison-ZF would have had a dominant 89% share of the $700 million market for medium and heavy duty automatic transmissions and would have faced only one competitor. Competitive concerns were also being litigated in Germany, where ZF and GM had sued to overturn an order of Germany's federal cartel control authorities prohibiting the transaction. As a result of the Division's lawsuit, General Motors announced on November 18, 1993, that it was abandoning the proposed sale of Allison to ZF.

Proposed acquisition of Stuart Medical Inc. by Baxter International Inc. This proposed acquisition would have combined the first and third largest distributors of medical and surgical supplies to hospitals in the United States. The proposed acquisition prompted numerous complaints from hospitals, hospital purchasing groups and manufacturers of medical and surgical supplies, all of whom expressed concern about the proposed combination of two of only four firms with nationwide distribution capabilities. The Division coordinated its investigation with independent investigations conducted by the Attorneys General of four states — Pennsylvania, Ohio, Colorado and California. After the Division staff had conducted well over a hundred interviews and reviewed over two hundred boxes of documents, the parties cancelled the transaction and withdrew their premerger filings and the case was closed in March 1993.

On June 6, 1993, the Division filled a civil antitrust suit against Primestar Partners L.P., its ten member companies and the parent companies of those members for restraining competition in the multichannel subscription television service by blocking other firms from entering the direct broadcast satellite (DBS) business. At the same time, the Division filed a proposed consent decree that, if approved by the court, would settle the suit. The suit and proposed consent decree were filed in U.S. District Court in Manhattan.

Program Changes:

	1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Direct:									
Preservation of competitive market structure	7	7	$771	7	7	$771	...	...	...
Indirect:									
Preservation of competitive market structure	246	239	26,583	352	292	33,460	106	53	$6,877
Total	253	246	27,354	359	299	34,231	106	53	6,877

Program Changes

An increase of 106 positions, 53 workyears, and $6,877,000 is requested. This change reflects an increased reliance on HSR filing fees. This program growth of 106 positions consists of 42 attorneys, 60 paralegals, and four secretaries which are critically needed for more aggressive merger enforcement and a return to strong national and international antitrust law enforcement.

Benefits

In the past, the number of cases filed relative to the number of merger investigations opened dramatically dropped as staffing was cut. Fewer merger cases were brought to court. The program growth is an attempt to reverse the harmful effect staffing decreases had on the Division's operations during the 1980's.

The Division is reinvigorating its merger program, drawing on the skills and talents of individuals with substantial merger experience, including training and litigation, to enhance the ability of the Division's return to a more aggressive enforcement stance and investigate and win more merger cases. A strike force has also been established to drive the Division's enforcement efforts by actively developing new, significant and high-impact cases, including cases involving international markets.

The Division reviews approximately 150 proposed mergers each month. Approximately 40 - 50 investigations are underway at any given time. A substantial part of the Division's merger enforcement resources are devoted to extensive preliminary screening and evaluation of the many premerger notifications filed with the Department pursuant to the requirements of the Hart-Scott-Rodino (HSR) Act. In addition, the Division commences merger investigations without the benefit of HSR filings, based on its own initiative or third-party complaints. Increased merger activity is expected in the future. Some factors that encourage mergers are (1) low interest rates which reduce financing costs; (2) an increase in stock prices generally, so many companies have more buying power in a stock swap; and (3) increasingly, companies finding partners in a global marketplace. Mergers and acquisitions activity is coming alive very quickly. Among industries expecting most activity are high technology, newspapers, and telecommunications. The Division has made merger enforcement a major priority. It is important to competition at home and competitiveness in international markets that mergers that may raise prices or reduce innovation and output be prevented. The Division will be imposing tougher scrutiny of proposed mergers and continue to coordinate prosecution efforts among both Federal agencies and the states.

Part of the recent wave of mergers has been the result of telecommunications companies and cable-TV concerns scrambling to form alliances for long-term growth against a backdrop of rapid expected technology changes. The global telecommunications market has been growing three to four times faster than the world economy for the past 50 years, and that industry is now undergoing rapid technological and market changes. It is expected that cable, wireless, and wireline communications are all going to start interacting in different ways and blending together. Technology has also been developed that will integrate the telephone with the personal computer.

The Division has an important role to play in encouraging and facilitating competition in the health care industry and the professions. In the past, health care has not been a traditional focus of antitrust enforcement. This has changed with the spiraling cost of health care and the proliferation of new health care organizational structures. The Division has developed an aggressive, multi-faceted enforcement policy with regard to health care matters. It is investigating or has recently concluded investigating or prosecuting at least 20 significant health care matters in at least 13 states. These matters range from criminal health care providers to numerous civil investigations of joint activities by competing providers that may reduce or eliminate competition.

The 1992 Horizontal Merger Guidelines require an in-depth analysis of anticipated competitive effects resulting from a merger. The Guidelines also contain complex treatment of the issue of entry. These changes reflect current economic learning as well as recent court decisions that require more sophisticated analysis of these issues. Merger investigations and trials are becoming more complex than ever before, requiring the commitment of more resources to each matter.

It is also expected that bank mergers, including particularly mergers of banks in direct competition with one another, will continue at the current high rate. These investigations are usually complex and resource-intensive. The Division expects that it will be required to devote more resources to these matters than it has in the past. Another area that is expected to have increased activity is mergers in the defense industry. Given the end of the cold war and the decline in defense spending, defense contractors are beginning and can be expected to continue to merge or sell off portions of their businesses.

New legislation enacted in 1993, promoting joint production ventures will increase the Division's review of National Cooperative Research and Production Act (NCRA)-type filings and the amount of staff resources required to examine and, where necessary, investigate those filings. The joint production venture legislation clarifies the antitrust laws by confirming that a rule of reason analysis applies to legitimate ventures. This legislation will not immunize joint production ventures from challenge under the antitrust laws, but will reduce any unwarranted deterrent effect of such potential challenges. The Division anticipates that a greater number of cooperative ventures will be initiated, encouraged by enacted legislation designed to clarify antitrust exposure. The procedures in the legislation will result in more pre-transaction screening by the Division because of the extension of the notification process to manufacturing joint ventures in addition to research ventures already subject to review pursuant to the National Cooperative Research and Production Act.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Policy analysis, legislation and training	59	58	$6,114	59	58	$6,341	59	58	$6,341	...	...	...

Long-Range Goal: To enhance the quality of enforcement activities through economic and statistical analysis, to ensure that the objective of increased market competition is vigorously promoted in new legislation and regulation, and to improve training for Division employees.

Major Objectives:

To develop sound economic bases for investigations and litigation to ensure that the enforcement program is beneficial to the economy.

To encourage the submission and passage of legislation promoting a competitive economy and discourage legislation granting unjustified exemptions from the antitrust laws or hampering their enforcement.

To encourage development of international economic policy conducive to fair and open competition among nations.

To enhance the litigation skills of Division attorneys and train support staff in the use of the increasingly sophisticated tools available to the legal community.

Base Program Description: Enforcement of the antitrust laws is difficult and time-consuming because a determination as to whether particular conduct or a particular merger is prohibited by those laws can often be made only after careful economic analysis. Errors in antitrust enforcement can have profound consequences for the affected industries and for the public. Thus, economists are a key adjunct to the Division's legal staff. Equally important is careful economic attention to relief issues, as evidenced by the intricacies of the restructuring of the Bell system. Additionally, recent global events have resulted in increased demands on the Division to assist in shaping U.S. international economic policy. Moreover, hundreds of legislative proposals must be considered by the Department each year, many having serious economic and competitive implications. The Division is the Department's sole resource for dealing with such competitiveness issues and significantly contributes to Administration policy. General authority for these programs is found in 28 C.F.R. §0.40. The Division works to ensure that its professional staff members remain abreast of evolving legal concepts and judicial interpretation of standing precepts in order to enforce antitrust laws efficiently and effectively.

Accomplishments and Workload: The workload of the Policy Analysis, Legislation and Training Program is summarized in the following table:

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Congressional Appearances.....	7	12	12	12	...	12
White House Correspondence Referrals.....	278	280	280	280	...	280
Congressional Correspondence.....	317	350	350	350	...	350
Congressional and OMB Requests for Comments.....	827	850	850	850	...	850
Statutory Reports.....	55	60	60	60	...	60

The Department operates in a world of global markets in which sound competition policy is a cornerstone of a free market economy. The United States antitrust laws are a model for competition policy the world over, and the enforcement policy of the Department has been influential in shaping the policies of our trading partners.

Recent accomplishments in international economic policy are as follows.

1. Japan. The Division has been actively supporting the Administration's objective to ensure international barriers to fair and open trade are eliminated. The Japanese antitrust laws are similar to those of the United States, but enforcement of the Antimonopoly Act, the key antitrust law of Japan, has in the past been sporadic. As a result, there is a perception that price fixing, bid rigging, market allocation and group boycotts occur with some frequency in Japan and that these practices contribute to the difficulties faced by American companies seeking to penetrate Japanese markets. Talks with the Japanese thus have focused heavily on anticompetitive practices by Japanese firms that have hampered the ability of U.S. firms to compete in Japanese markets, and on efforts by the U.S. to obtain improved antitrust enforcement by Japan.

   The Japanese have agreed to stronger enforcement of their Antimonopoly Act, including increased use of criminal enforcement and tougher penalties for antitrust violations. In March 1993, the Japan Fair Trade Commission initiated a criminal proceeding against four firms for bid-rigging in violation of the Antimonopoly Act, only the second criminal antimonopoly prosecution since 1974. The Japanese also took action to provide more effective remedies for antitrust violations. The Division has been involved significantly in these evolving policy issues and will continue to be involved in the future.

2. Eastern Europe. The formation of democratic governments in Central and Eastern Europe has prompted requests for advice and consultation on competition policy. Working closely with the Department of State and with funding provided by the Agency for International Development (AID), the Division has been able to implement an assistance program for these emerging democracies. During 1992 and 1993, Division officials met with senior officials of the Polish, Hungarian, Czech, Slovak, Bulgarian, Estonian, Latvian, and Lithuanian governments at the request of those countries to provide advice on the formation of a free market and the transition to a market economy. At the request of the Polish, Czech, Slovak, Hungarian, and Bulgarian governments, the Division and the Federal Trade Commission (FTC), have sent two-person teams to work with the new antitrust agencies in those countries for extended periods. In addition, the Division has sent short-term missions to Poland, the Czech Republic, Slovakia, Hungary, Bulgaria, Romania, Lithuania, Latvia, and Estonia. During 1992 and 1993, the Division also hosted week-long visits to Washington by the heads of the Polish and Hungarian competition agencies to discuss antitrust issues.

3. Newly Independent States. As in Central and Eastern Europe, the formation of democratic governments in the Newly Independent States of the former Soviet Union has prompted requests for advice and consultation on competition policy. Working closely with the Department of State and often in conjunction with the Organization for Economic Cooperation and Development (OECD), the Division has been able to provide assistance to these emerging democracies. Division personnel have participated in OECD missions to Russia, Ukraine, and Belarus to provide advice on the organization of an antimonopoly agency, the writing of an antimonopoly statute and enforcement guidelines, and the enforcement of the statute. In addition, the Division hosted a week-long visit to Washington by the head of the Russian competition agency and the directors of two regional offices of that agency to discuss antitrust issues. The Division has requested AID funding to establish a broader program of assistance to the Newly Independent States, similar to the AID-funded Division program in Central and Eastern Europe.

4. Bilateral Antitrust Assistance Agreement with EC

In September 1991, the Department of Justice and the Federal Trade Commission signed a bilateral assistance agreement with the Commission of the European Communities ("EC"). This agreement provides that the parties will cooperate with each other in the enforcement of their domestic competition laws. The Division had primary responsibility for negotiating this agreement on behalf of the Department and is contributing to the new cooperative effort required by the agreement, including the required twice-yearly formal consultations. The Division is working with the EC to assess ways in which cooperation in merger and non-merger investigations can be enhanced.

5. Technical Assistance to Latin American Countries

During 1992 and 1993, the Division has responded to several requests for assistance by Latin American competition agencies. In May 1992, the Division hosted the head of the new Venezuelan agency in Washington, to discuss substantive and administrative issues. The cooperative relationship established during that visit led to a letter from Venezuelan President Perez requesting further U.S. assistance to Venezuela on competition issues, and AID has provided the Division and the FTC with funding for a number of technical assistance missions to Caracas, and internships in Washington for Venezuelan officials. In 1993, the Division sent personnel to Venezuela at the request of the Venezuelan agency to assist and advise on particular areas of antitrust enforcement. In addition, in February of 1993, the Division hosted officials of the agency for visits to Washington to study U.S. enforcement in particular areas.

The Division is developing a solid relationship with Mexican competition officials who will enforce that country's new competition law; the Division has hosted Mexican competition officials as interns in 1993 and anticipates that Mexico will ask Division officials to provide technical assistance in the coming year. In 1993, the Division also hosted a week-long visit by senior Brazilian competition officials, and the Division hopes to strengthen its relationship with that country in the coming year.

6. North American Free Trade Agreement

In December 1993, the North American Free Trade Agreement among the U.S., Canada, and Mexico was approved. Division attorneys spent a significant amount of effort participating in the negotiations in order to ensure that U.S. competition interests are well served by the agreement. During the coming year, as implementation issues are considered, the Division expects significant resources will be devoted to monitoring the NAFTA process.

7. The Department's Antitrust Enforcement Guidelines for International Operations

In 1992 Division officials met frequently with U.S. and foreign government officials and attorneys to discuss various aspects of the Division's International Guidelines, especially the jurisdictional and trade policy aspects. The Division played a crucial role in the Attorney General's decision in mid-1992 to modify the interpretation of footnote 159 of the Guidelines, to allow enforcement action to be taken against anticompetitive behavior in foreign countries that adversely affects U.S. exporters. This determination continues to require intensive involvement by Division attorneys in internal Division and Department deliberations, interagency meetings on the impact of potential violations of the Guidelines, and responses to inquiries from the public and foreign government representatives. The Division is now studying the International Guidelines to determine how they can be improved and focused more on today's international antitrust issues.

8. Implementation of the Omnibus Trade Act of 1988

The Division has taken the lead on behalf of the Department in the interagency process of implementing the Omnibus Trade Act of 1988, which has imposed tight deadlines on the Administration for making important decisions about many aspects of U.S. foreign trade policy. The Division has an important role to play in insisting that the solutions to trade disputes that emerge from the Trade Act process should not include government-encouraged price-fixing and market allocation schemes, and that U.S. trade policy should continue to maximize the extent to which U.S. firms and U.S. markets remain competitive. The Division also seeks to ensure that any competition related disciplines that are included in bilateral or multilateral trade agreements are consistent with U.S. antitrust laws and otherwise appropriate.

9. OECD Competition Law and Policy Committee

The Division prepared the United States' annual report for 1993 and led the U. S. delegation at the Organization for Economic Cooperation and Development (OECD) Competition Committee meetings. The Division initiated and has taken the lead on an important new project on convergence and cooperation in merger reviews and chairs the Committee's Working Party on International Cooperation. OECD consultants, working with antitrust authorities from the United States and other countries, have prepared case studies of mergers and other acquisitions that have been reviewed by more than one country. Their report compares the ways enforcement authorities have handled the review of particular matters, with the goal of assuring that the review process is better coordinated among countries; the report also contains recommendations, which the Committee will discuss at future meetings. This project has the potential to enhance international cooperation on merger review and lead to broader cooperation on a wide range of antitrust enforcement matters.

10. Bilateral Dealings with Foreign Governments

The Division has responded to many requests from competition agencies in other countries for information on U.S. antitrust developments and has met with many foreign competition officials to discuss competition matters. Of particular note in this regard were biannual consultations with the EC and Canadian antitrust authorities; these consultations helped to cement already close relationships between the respective agencies, which have many similar competition concerns.

Domestic Policy, Training and Legislation

The following are recent accomplishments of the Division in shaping, influencing and enforcing policies to protect and preserve competition within the American economy.

1. Sentencing Guidelines. An important ongoing domestic policy project involves implementing key new sentencing guidelines for antitrust offenses. Revised Sentencing Guidelines for individual and organizational antitrust violations became effective in FY 1992. Individual antitrust violators face longer and more certain prison sentences than were previously provided. The Division policy staff worked closely with the Criminal Division and the Sentencing Commission to achieve appropriate antitrust organizational sanctions, as well as strengthened individual sanctions for antitrust offenses. The Division continues to assist the Criminal Division in analyzing numerous proposed amendments to the Guidelines. The amount of sentencing guidelines work handled by the Division is not expected to decline, given the Guidelines' importance and constant evolution.

2. Proposed Legislation. The Division's legislative program entails: drafting and supporting legislative proposals to amend antitrust laws or other statutes affecting competition; analyzing proposed legislation, draft reports, and testimony prepared by other agencies; and submitting comments on hundreds of such items to other Justice Department components, the Office of Management and Budget, and Congress. It also includes preparing testimony to be given on behalf of the Department and the Administration, and coordinating responses to correspondence or other inquiries received from Congress, the White House, or other sources. Among important ongoing legislative efforts of the Division are the following:

   a. Health Care Legislation. Division staff participated in the development of the Administration's position and legislation on health care reform. Important policy issues regarding possible antitrust exemptions and enforcement are involved in this project. The Division will likely present views on behalf of the Administration on antitrust exemptions as the legislation is considered.

b. Telecommunications Legislation. The Division is working with a key interagency group to formulate the Administration's position on a variety of legislative issues in the telecommunications area. Among these are proposals regarding the provision by the Bell operating companies of products and services that have been forbidden by the line of business restrictions in the Modified Final Judgment in the AT&T case, the provision of cable TV services by telephone companies in their local service areas, and other proposals to increase access to what have been local monopoly telephone exchanges. The Administration's policies in this area are a key to the goal of creating the national information infrastructure and information superhighways of the future.

c. McCarran-Ferguson Act. Division work continues in the Department's consideration of and contribution to legislative revisions to the McCarran-Ferguson Act. The Act provides immunity from antitrust challenge to certain activities of insurance companies when those activities are subject to state regulation. Complex issues concerning the relationship of the antitrust laws, state-action immunity, state insurance regulation and joint rate setting activities by insurers are presented. The Antitrust Division has been working with other interested agencies on this issue.

d. Resale Price Maintenance Legislation. Congressional interest remains strong in legislation that would make it easier for plaintiffs alleging resale price maintenance schemes in dealer termination cases to avoid summary judgment and present their cases to the jury. The Division will be the Administration's lead agency on such bills, and will be analyzing several complex and overlapping legal doctrines.

e. International Pricing Legislation. Proposals have been reintroduced that would amend the Antidumping Act or the antitrust laws to provide special causes of action to persons alleging unfair import pricing. The Division will be working with other agencies to develop the Administration's position on this internationally sensitive legislation.

f. Merger Law Supplement. Section 7 of the Clayton Act, the primary antitrust law used to challenge anticompetitive mergers, contains a potential loophole that may prevent its use against anticompetitive asset acquisitions by some firms, including airlines. As the agency most directly affected, the Division has taken the lead in developing a proposal to close this loophole.

g. Baseball Exemption Legislation. Serious interest in repealing the antitrust exemption currently enjoyed by professional baseball has been demonstrated by some members of Congress. The Division will continue to work on the Administration's position on such proposals.

h. International Antitrust Enforcement. The Division is developing proposals to facilitate cooperation with antitrust enforcement agencies in other countries in obtaining antitrust evidence located overseas. International antitrust enforcement is becoming increasingly important and current investigatory tools are lacking in this regard.

3. Enacted Legislation. A key proposal enacted in 1993 will provide increased opportunity and protection for procompetitive joint production by American firms to keep pace with foreign competition. The legislation raised a number of general antitrust policy issues as well as the more specific issue of the extent to which joint production venture legislation should apply to ventures containing foreign participants or production facilities. The Division worked closely with the National Economic Council and other interested agencies to develop the Administration's position on this legislation.

Other recent legislation has significantly improved and modernized the nation's antitrust laws. Recent changes increased maximum fines for price fixing and bid rigging by corporations and individuals; provided treble damages to the United States when it is injured by price fixing or bid rigging; and modernized the prohibitions in Section 8 of the Clayton Act concerning interlocking corporate directorates. The Division had primary responsibility for drafting the proposals and supporting documentation on these issues, coordinating with other Executive Branch agencies in formulating the Administration's position, preparing testimony for Congress on the bills, and, in conjunction with the Department's Office of Legislative Affairs, explaining the proposals to Congressional staff members.

Events around the globe have resulted in demands on the Division as a shaper of international economic policy. Negotiations with foreign government officials about trade policy issues are occurring with increasing frequency and have taken on increased importance in our global economy. Antitrust and competition policy are important aspects of such negotiations. Developments in the Far East, Europe, Latin America, and other areas mean continuing demands for leadership to guide all parties to procompetitive solutions and effective antitrust enforcement. With rapidly changing international market realities, the Division can be expected to be involved in broad economic negotiations with many trading partners in 1995. Resources devoted to this program to reach procompetitive solutions to the challenges ahead will assure American leadership in the global economy of the 1990s.

Program Changes:

	1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Policy analysis, legislation and training.....	59	58	$6,341	59	58	$6,341	...	...	...

Program Changes
None.

Benefits
Events around the globe have resulted in increased demands on the Division as a shaper of international economic policy. Discussions with Japanese officials about trade policy issues are occurring with increasing frequency and have taken on increased importance in our global economy. Antitrust and competition policy are important aspects of such negotiations. Developments in the Far East and Europe, as well as in Third World countries, mean steadily increasing demands for leadership to guide all parties to procompetitive solutions and effective antitrust enforcement. Competition policy in the European Community and its member countries is requiring increasing attention. With rapidly changing international market realities, the Division can be expected to be involved in broad economic negotiations with many trading partners in 1995. Resources required to assure procompetitive solutions to the challenges ahead will assure American leadership in the global economy of the 1990's. Proposed legislation enforcing regulations of telecommunications industries will have extremely important consequences. Promoting competition in voice, video, and data transmission services is an objective of the Administration's efforts to facilitate the development of a National information infrastructure.

New legislation is expected to repeal or reform the broad antitrust exemption (McCarran-Ferguson Act) currently enjoyed by the insurance industry. There are strong indications that possible justifications for the broad insurance antitrust exemption when enacted in 1945 are no longer valid today. Reform of this exemption is consistent with the normal presumption that an industry functions more efficiently and in the interest of consumers without antitrust exemptions that permit potentially anticompetitive conduct. Some regulatory goals, such as guarding against discrimination or protecting solvency, appear to be obtainable without the broad antitrust exemption that is currently in place. In sum, the Department supports replacement of the current broad exemption for the business of insurance with more carefully crafted protection for activities that are demonstrably potentially procompetitive and efficiency enhancing. Such legislation must be consistent with the Administration's health care reform proposal. The Division believes that McCarran-Ferguson reform legislation can accommodate the interests of those who support such reform, as well as those who have expressed concern that reform would have to permit insurance companies large and small to engage in activities that would both benefit consumers and allow the industry to prosper.

The Division has expanded the 1978 Corporate Leniency Policy and has revoked the Vertical Restraints Guidelines issued January 23, 1985. These changes in antitrust policy will assist the Division in vigorously and effectively enforcing antitrust laws. Under the Division's previous Corporate Leniency policy, corporations that were the first to disclose their involvement in antitrust violation prior to the beginning of a government investigation into the violation while also satisfying other requirements may, at the discretion of the Division, not be prosecuted for the violation. The policy change will assure leniency not only to corporations that meet those standards, but also make leniency available, at the Division's discretion, to corporations that come forward after the initiation of a government investigation or that have otherwise failed to qualify for assured leniency. By providing greater assurance to corporate counsel and broadening the circumstances in which leniency is offered, these changes should induce more corporations to come forward. Such a development should increase the deterrent effect of the antitrust laws and allow a more productive use of the Division's resources.

The Division is strongly committed to the Administration's program to assist governments in achieving solid economic progress. To that end, we have made available our expertise in competition policy, economics, and antitrust law to assist those governments in the creation of sound competition policy mechanisms. There is an ever increasing demand for Division guidance on competition policy and free market economies by Eastern Europe, Latin America, the Far East, Russia, and other countries.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Competition advocacy program	33	33	$3,121	33	33	$3,237	33	33	$3,237	...	...	...

Long-Range Goal: To eliminate unnecessary or counterproductive governmental interference with free market forces and seek adoption of the most competitive means of achieving overriding social purposes.

Major Objectives:

To achieve greater competition in regulated industries.

To stimulate competition in the delivery of professional services.

To reduce or eliminate unnecessary antitrust immunities enjoyed by particular industries.

To encourage competition as new technologies are developed.

To prevent or minimize restrictions on free and fair international competition.

Base Program Description: As an advocate of competition, the Antitrust Division seeks the elimination of unnecessary regulation and adoption of the most competitive means of achieving a sound national economy through participation on Executive Branch policy-making task forces, preparation of testimony on a wide variety of legislative initiatives, publication of reports on regulated industry performance, review of proposed licensing and leasing applications, and intervention in regulatory agency proceedings. Each legal and economic section of the Division having responsibility for regulated industries actively monitors the pending actions of Federal regulatory agencies through review of those agencies' dockets and industry or other publications, and through personal contacts in the industries and in the agencies.

The Division has responsibility for the enforcement of the antitrust laws and the promotion of competition relating to transportation, energy production and transport, agricultural and related commodities, banking, finance, securities, communications, and the professions, including the health care industry, intellectual property rights (e.g., copyrights, trademarks, and patents) and labor antitrust problems. In addition, the Division has responsibility for antitrust enforcement in regard to sports, motion pictures, books and newspapers, pharmaceuticals, and educational institutions. The Division is active before such agencies as the Department of Transportation, the Federal Maritime Commission, Interstate Commerce Commission, Federal Energy Regulatory Commission, the Department of Agriculture, the Federal Reserve Board, Office of Thrift Supervision, Resolution Trust Corporation, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, National Credit Union Administration, Securities and Exchange Commission, Commodities Futures Trading Commission, Federal Communications Commission and the Postal Rate Commission. In addition, the Division is responsible for furnishing advice concerning surplus property disposal and the sale or lease of Federal lands bearing oil, gas, and coal reserves. The Division has certain unavoidable duties, including statutory responsibility to review U.S. Government coal leases, outer continental shelf oil leases, naval petroleum reserve sales and surplus property sales. The Division is also required to monitor and issue reports on International Energy Agency (IEA) meetings, and to review Defense Production Act agreements and certain Nuclear Regulatory Commission actions. The Division also reviews export trade certificate applications for shippers' associations and associations that export commodities which fall under the Division's regulatory purview. This is a vast regulatory jurisdiction for the Division, which also investigates and/or litigates criminal antitrust violations as well as reviews proposed mergers in these industries.

Authority for these various activities is found in 28 C.F.R. §0.40; the Federal Coal Leasing Amendments Act of 1976; the Deepwater Port Act of 1974, 33 U.S.C. §1506(a); the Atomic Energy Act of 1954, 42 U.S.C. §2135; the Federal Aviation Act, 49 U.S.C. §§1378-84; the 1966 Bank Merger Act, 12 U.S.C. §1828; the Bank Holding Company Act, 12 U.S.C. §1842; the National Housing Act, 12 U.S.C. §1730a; the Outer Continental Shelf Lands Act, 43 U.S.C. §1331, et seq.

Accomplishments and Workload: The workload of the Competition Advocacy Program is summarized in the following table:

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Participation in bank merger proceedings						
Total Screenings a/	1,539	1,990	2,100	2,100	100	2,200
Screening Requiring Competitive Analysis	1,141	1,190	1,300	1,300	100	1,400
Participation in regulatory agency proceedings						
Department of Transportation (DOT)	6	6	6	6	...	6
Federal Communications Commission (FCC)	5	5	5	5	...	5
Federal Energy Regulatory Commission (FERC)	9	9	9	9	...	9
Federal Maritime Commission (FMC)	10	10	10	10	...	10
Interstate Commerce Commission (ICC)	9	9	9	9	...	9
Other	9	9	9	9	...	9
Total	48	48	48	48	...	48

a/ Total screenings include review of bank holding company activities in addition to savings and loan letters, bank holding letters, and merger letters.

Recent accomplishments in the Competition Advocacy program are as follows:

1. Federal Communications Commission. The Division has been active in a number of proceedings before the Federal Communications Commission (FCC). In these proceedings, the Division has advocated the introduction of greater competition in areas of telecommunications still characterized by substantial market power, and the reduction of unnecessary regulatory burdens in areas where competition has developed.

The Division continues to be involved with competitive issues relating to communications industries. The Division filed comments with the FCC recommending reduction of regulatory restrictions on network ownership of programming and elimination of the per se prohibition on network ownership of cable television companies. The Division recognizes the robust growth of cable television and the change in position of the networks have sharply reduced the likelihood that the networks would be able to inhibit competition in telecommunications markets. The Division also has filed comments in the FCC's proceeding to establish a regulatory framework for personal communications services (PCS), a new wireless service that may provide competition to existing cellular systems. The Division has also encouraged the FCC to allow new firms into the business of providing access to the local telephone exchange markets.

The Division's competition advocacy efforts at the FCC over the past year were largely successful. During the next year, the Division is likely to continue its participation in ongoing FCC proceedings that present crucial competitive issues for telecommunications, including local exchange competition.

2. Energy. On January 25, 1993, the Division filed comments with the Federal Energy Regulatory Commission (FERC) supporting the concept of Regional Transmission Groups (RTGs). RTGs are formed by interconnected utilities and their transmission customers to develop standards for access to electric transmission facilities within a region. It is hoped that properly constituted RTGs will reach negotiated solutions to access issues and avoid unnecessary, expensive and time consuming regulatory proceedings. After passage of the Energy Policy Act of 1992, FERC must make a number of regulatory decisions relating to electric power and natural gas pricing and access issues. These issues involve many billions of dollars. The Division expects to participate in these proceedings to assist FERC in utilizing competition as a means of fostering efficiency and consumer welfare.

3. Department of Transportation. The Division is participating in the NEC's Interagency Working Group on Civil Aviation. The purpose is to prepare the Administration's response to each of the 61 recommendations of the National Commission to Ensure a Strong Competitive Airline Industry. This blue ribbon commission has been charged with recommending measures to revitalize the ailing American airline industry. The Commission to Ensure a Strong Competitive Airline Industry is studying a broad range of issues including lifting restrictions on foreign ownership of U.S. airlines, enhancing overseas access for U.S. airlines, and reducing barriers to competition, including frequent flier programs and computer reservation systems that favor the airlines that own them. Demands on the Division's resources in this industry are expected to continue.

4. Department of Agriculture. The Division has participated in numerous proceedings before the Department of Agriculture in an effort to persuade it to eliminate or improve its market order programs for milk and citrus fruits. These programs impose hundreds of millions of dollars in unnecessary costs on consumers. The Division expects to continue these efforts to reform government regulations and embrace consumer welfare.

5. Federal Maritime Commission. On December 3, 1992, the Division filed comments supporting a proposal by the FMC to reduce regulatory burdens on the formulation of shippers' associations, which are eligible under the Shipping Act of 1984 to negotiate volume discounts with ocean carrier conferences or individual shipping lines on behalf of their members. Carriers have opposed the reform, claiming they were prohibited by antitrust rules from dealing with such groups. The Division explained that the situations where shipper group activities risked antitrust problems are limited, and in any event the proposed rule would not increase carrier liability risk.

The Division also filed comments at the FMC urging rejection of a proposed carrier agreement, the Trans Atlantic Agreement, that would reduce container capacity 20 percent in the westbound North Atlantic trade. The Division argued that shipping rates for imports would likely rise significantly, and that the agreement was legally deficient because it did not contain adequate right of independent action by individual shippers.

6. Multi-agency. The Department of Justice is participating in an inter-agency working group that will take a comprehensive look at policies affecting communications and information industries. The working group will examine the future of these industries and identify regulatory barriers that may be hindering U.S. competitiveness.

The Department of Justice is leading an inter-agency working group to explore proposals for enhancing by competition the efficiency of the Federal Government's procurement of health care services. Other participating agencies include Health and Human Services, the Office of Personnel Management, Department of the Treasury, and the Department of Commerce.

Division members of the Bank Competition Working Group, which is chaired by the Justice Department and includes Treasury, the Federal Reserve Board, and the Council of Economic Advisors, work to identify issues for consideration by the Group.

The Division's best opportunities to protect competitive markets from cartel activity, to make markets more competitive by reducing unneeded regulation, and thus to improve consumer welfare, lie in vigorous pursuit of two major activities: enforcement and competition advocacy. This latter program area serves to support one of the most important components of the Division's mission and has significant potential to save business, industry, consumers and taxpayers hundreds of millions of dollars annually by eliminating or reducing regulatory requirements that discourage change and development associated with competition.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Management and administration	63	63	$5,100	63	63	$5,292	63	63	$5,292	...	...	...

Long-Range Goal: To provide effective and efficient management and policy direction of all Antitrust Division activities, and to provide the support necessary to carry forward the Division's programs.

Major Objectives:

To provide coordinated, consistent policy direction to the Federal antitrust program and effective liaison with other agencies, both Federal and state, the business community, and the general public.

To allocate resources, manage workload, and evaluate the productivity of the Division to produce results beneficial to the American economy and the taxpayer.

To provide effective and efficient administrative and systems support to Antitrust Division activities.

Base Program Description: This program provides for the overall direction and management of the Antitrust Division, including the supervision and administration necessary to support the Division's litigative mission. Top management provides policy guidance, administers controls, and directs the full range of Division activities. In addition to specific case direction, Division management officials direct the overall administration and management of the Division, determining the allocation of a finite amount of resources among competing programs to meet the varied responsibilities of the Division as effectively as possible. Division officials articulate and implement competition policy and evaluate its impact on legislative and governmental actions. Administrative support is required to assure effective control and management of Division resources and to provide the services and tools needed by the operating staff to do its job.

Accomplishments: A significant management accomplishment was the issuance of joint merger guidelines with the Federal Trade Commission (FTC). Previously, the Department and the FTC issued separate guidelines, a source of some concern to the business community. Development of joint guidelines required extensive negotiations between the two agencies. The resulting guidelines represent a consolidated statement of federal merger enforcement policy that will contribute to sound decision-making by firms considering mergers and acquisitions, ultimately contributing to the efficiency and competitiveness of the American economy.

The Division's achievement of close working relationships with state enforcement officials also represents a major management accomplishment. Division officials took the initiative to establish a dialogue with the states and respond to their policy concerns, as well as to improve coordination of investigatory process and resources. The result is a more unified and efficient Federal and state antitrust enforcement presence across the country, serving to assure conservation of government resources at all levels, deter violations of the antitrust laws, and provide greater consistency in law enforcement policy to enable businesses to flourish.

The Division continues to direct great effort to its use of automated systems to ensure accurate and timely information and support to its managers and operating staff. In order to provide a continued high level of support to its sections and field offices, the Division has moved aggressively in the use of its on-site minicomputer network for a wide range of purposes, including desktop access to legal and economic research data bases, electronic mail, automated time and attendance reporting for payroll purposes, and management information systems, as well as word processing.

Another essential project included in this program is the development of means to provide increased support to Division professionals when they are working at remote trial sites. With the increasing technological sophistication of both Division staff and the business world in general, access to the evidentiary information developed and stored in the "office" computer is the key to managing and conducting a remote trial. The Division's support staff has developed procedures and software for the provision of portable microcomputers that allow professional and paralegal access to their "home" office system from a remote location. Once the portable terminals are in place, productivity tools can be readily made available to professionals located at remote trial sites. These microcomputers offer support for a wide range of products that expand office capabilities and improve overall effectiveness and efficiencies. The Division now offers its remote trial staffs traditional word processing, legal research, electronic mail, time management, spreadsheet, data storage, retrieval capabilities and gateways to other systems to allow Division staff to compete effectively with the private bar. This wider range of available tools not only assures a higher quality of analytical and written work, but also assures faster access to information necessary to decision making in all phases of onsite trial support.

The Division continues its efforts to provide its employees with automated systems capabilities that are complementary with other Departmental components and the core requirements of the next generation of office automation systems as identified in the Department of Justice Uniform Office Automation Project.

In support of its overall goal to collect government debts efficiently, the Antitrust Division follows systematic and effective procedures for collection of court-imposed fines, penalties and damages. Collection of civil penalties and damages is handled by the Division directly. The Division's civil debt collection program has been highly successful, with close to a 100 percent collection rate over the past five years. In 1993, the courts imposed $57.1 million in civil penalties and damages in Division matters. In addition, during 1993, the Division achieved $43 million in criminal fines. Criminal fines and penalties are referred to the U.S. Attorneys' Offices and handled in accordance with procedures established by the Department's Office of Debt Collection.

Antitrust Division
Salaries and expenses
Justification of Multi-Activity Program Changes
(Dollars in thousands)

	1995 Locality Pay		
	Perm. Pos.	WY	Amt.
Direct authority:			
Federal appellate activity.....	...	...	...
Termination and prevention of private cartel behavior.....	-5	-5	-$344
Preservation of competitive market structure.....	...	...	...
Policy analysis, legislation and training.....	...	...	...
Competition advocacy program.....	...	...	...
Management and administration.....	...	...	...
Total.....	-5	-5	-344

The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of five percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than ten percent in each succeeding year, though no additional 1995 resources are requested in the budget.

Termination and prevention of private cartel behavior program will absorb the Division's 1995 increment of the 1994 locality pay raise. Existing resources will be carefully managed to continue aggressively pursuing criminal and civil violations and support strong national and international antitrust law enforcement.

As the Antitrust Division implements the personnel changes reflected in this budget for 1994 and 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

Antitrust Division
Salaries and expenses
Financial Analysis - Program Changes
(Dollars in thousands)

Direct: Item	Federal Appellate Activity Workload Change Pos.	Federal Appellate Activity Workload Change Amount	Termination and Prevention of Private Cartel Behavior Program Workload Change Pos.	Termination and Prevention of Private Cartel Behavior Program Workload Change Amount	Preservation of Competitive Market Structure Program Workload Change Pos.	Preservation of Competitive Market Structure Program Workload Change Amount	Policy Analysis, Legislation and Training Workload Change Pos.	Policy Analysis, Legislation and Training Workload Change Amount
Grades								
GS-13	...	...	-5	-$250	...	...	...	...
GS-11	...	...	...	...	...	...	...	...
GS- 7	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	-5	-250	...	...	...	...
Effect of FTE changes	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	...	...	-5	-250	...	...	...	...
Personnel benefits		...		-94		...		...
Travel of persons		...		...		...		...
Transportation of things		...		...		...		...
GSA rent		...		...		...		...
Communications, utilities, and other rent		...		...		...		...
Printing and reproduction		...		...		...		...
Other services		...		...		...		...
Supplies and materials		...		...		...		...
Equipment		...		...		...		...
Total program workyears and obligations changes requested, 1994	...	...	-5	-344	...	...	...	...

Direct: Item	Competition Advocacy Program Workload Change Pos.	Competition Advocacy Program Workload Change Amount	Management and Administration Workload Change Pos.	Management and Administration Workload Change Amount	TOTAL Workload Change Pos.	TOTAL Workload Change Amount
Grades						
GS-13	...	...	...	...	-5	-$250
GS-11	...	...	...	...	...	...
GS- 7	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	-5	-250
1995 effect of 1994 FTE cuts	...	...	...	...	...	...
Total workyears and personnel compensation	...	...	...	...	-5	-250
Personnel benefits		...		...		-94
Travel of persons		...		...		...
Transportation of things		...		...		...
GSA rent		...		...		...
Communications, utilities, and other rent		...		...		...
Printing and reproduction		...		...		...
Other services		...		...		...
Supplies and materials		...		...		...
Equipment		...		...		...
Total program workyears and obligations changes requested, 1994	...	...	...	...	-5	344

ANTITRUST DIVISION

Salaries and Expenses

Priority Ranking

Base Program		Program Increase		
Program	Ranking	Program	Enhancement	Ranking
Preservation of Competitive Market Structure	1	No increases requested in the direct appropriation.		
Termination and Prevention of Private Cartel Behavior	2			
Competition Advocacy Activity	3			
Federal Appellate Activity	4			
Policy Analysis, Legislation and Training	5			
Management and Administration	6			

Antitrust Division
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 - 1995

Category	1993	1994			1995			
					Base Adjustment			
	Authorized	Enacted	Locality Absorbed	Total	Transfers Direct to Fees	Locality Reductions	Program Increase	Total
Direct								
Attorneys (905)	219	183	-5	178	-12	-5	...	161
Paralegal Specialists (950)	54	67	-2	65	-13	...	...	52
Other Legal and Kindred (900-998)	11	11	...	11	...	...	...	11
Social Sciences, Economics and Kindred (100-199)	23	31	...	31	-2	...	...	29
Gen. Admin., Clerical and Office Services (300-399)	147	162	-8	154	-8	...	...	146
Accounting and Budget (500-599)	7	7	...	7	...	...	...	7
Business and Industry Group (1100-1199)	4	4	...	4	...	...	...	4
Mathematics and Statistics Group (1500-1599)	1	1	...	1	...	...	...	1
Total	466	466	-15	451	-35	-5	...	411
Washington	317	317	-15	302	-35	-5	...	262
U.S. Field	149	149	...	149	...	...	...	149
Total	466	466	-15	451	-35	-5	...	411
Indirect (Filing Fees)								
Attorneys (905)	83	121	...	121	12	...	46	179
Paralegal Specialists (950)	11	31	...	31	13	...	52	96
Other Legal and Kindred (900-998)	5	5	...	5	...	...	...	5
Social Sciences, Economics and Kindred (100-199)	19	18	...	18	2	...	...	20
Gen. Admin., Clerical and Office Services (300-399)	33	31	...	31	8	...	8	47
Accounting and Budget (500-599)	3	3	...	3	...	...	...	3
Business and Industry Group (1100-1199)	2	2	...	2	...	...	...	2
Mathematics and Statistics Group (1500-1599)	...	...	...		...	...		
Total	156	211	...	211	35	...	106	352
Washington	123	178	...	178	35	...	106	319
U.S. Field	33	33	...	33	...	...	...	33
Total	156	211	...	211	35	...	106	352
Grand Total	622	677	-15	662	...	-5	106	763

Antitrust Division
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Direct:			
1994 Appropriation Enacted	466	450	$45,997
Stay-in-School	...	3	...
Locality Pay Absorption	-15	-15	...
1994 Appropriation Anticipated	451	438	45,997
Adjustments to Base:			
Transfers To and From Other Accounts:			
1. Transfer from General Administration for Mail Management	...	...	25
2. Transfer Direct Funded Positions to Hart-Scott-Rodino Premerger Filing Fees	-35	-35	-5,763
Total, Transfers	-35	-35	-5,738
Mandatory Increases:			
1. 1995 Pay Raise	...	...	399
2. Within-Grade Increases	...	...	298
3. Locality Pay	...	...	344
4. Annualization of the 50 Additional Positions and FTEs in 1994	...	...	1,766
5. FTS 2000	...	...	119
6. Employee Data and Payroll Services	...	...	4
7. General Pricing Level Adjustments	...	...	240
Total, Mandatory Increases	...	...	3,170
Mandatory Decreases:			
1. General Services Administration (GSA) Rent	...	...	-1,080
2. One Less Compensable Day	...	...	-83
Total, Mandatory Decreases	...	...	-1,163
Total, adjustments to base	-35	-35	-3,731
1995 Base	416	403	42,266
Additional Program changes			
Termination and Prevention of Private Cartel Behavior: Locality Pay Decrease	-5	-5	-344
Total Program Changes	-5	-5	-344
1995 Request	411	398	41,922

Antitrust Division
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Pos.	WY	Amount
Transfers from other accounts:			
1. Transfer mail messenger operations (JMD-Appropriated) to the Antitrust Division	...	...	25
The Department received the Office of Management and Budget's approval to convert the Justice Management Division (JMD) mail operation to a working Capital Fund WCF) activity. As a result, the funds are being transferred from JMD-Appropriated to the Offices Boards and Divisions and Bureaus based on current contract usage. The funding will provide each component with the resources to reimburse the mail operation once it becomes a WCF operating activity in 1995. The mail operation will provide direct administrative support for services such as mail referral, bulk, mail delivery, and mail and messenger services.			
2. Transfer direct funded positions to Hart-Scott-Rodino premerger filing fees	-35	-35	-5,763
The Division requests that 35 positions and workyears and $5,763,000 be transferred from direct funds to the Hart-Scott-Rodino premerger filing fees.			
Total, transfers	-35	-35	-5,738
Mandatory increases:			
1. 1995 pay raise	...	...	399
This request provides for the proposed 2.0 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $399,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($286,000 pay and $113,000 benefits).			
2. Within-grade increases	...	...	298
This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $227,000 for pay and $71,000 for benefits			
3. Locality pay	...	...	344
The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of five percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than ten percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, $1,031,000 in locality pay costs for three-quarters of the year will be absorbed as discussed in the Justification of Multi-Activity Changes exhibit. For 1995, full year costs totalling $1,375,000 must be absorbed and the impact of the absorbing the 1995 increment of $344,000 is reflected as program decreases as discussed in the Crosswalk and the Justification of Multi-Activity Program Changes exhibits.			

4. Annualization of the 50 additional positions and FTEs approved in 1994 1,766

	Approved 1994 Increase	Annualization Required
Annual salary rate of 50 approved positions and FTE	$2,640,000	
Less lapse (40 percent)	-1,056,000	$1,412,000
Net compentsation	1,584,000	
Associated employee benefits	-360,000	354,000
Total costs subject to annualization	1,224,000	1,766,000

5. FTS 2000 119

This increase reflects recently complied data provided to the Office of Management and Budget by GSA on FTS 2000. The price redetermination takes into consideration both voicm and data services Government-wide. The projected 1995 increase is $119,000.

6. Employee data and payroll services 4

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. A five percent increase is needed to stay current with inflation, the increased use of the National Finance Center (NFC), and the continuing level of system support by the Finance Staff. An increase of $4,000 will be required in 1995.

7. General pricing level adjustments 240

This request applies OMB pricing guidance to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. The factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where increases have already been built into the 1995 estimates.

Total, mandatory increases 3,170

Mandatory decreases:

1. General Services Administration (GSA) rent .... -1,080

GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The costs associated with GSA rent were derived through the use of GSA's automated system which uses the latest inventory data and GSA provided rates. The mandated decrease of $1,080,000 reflects GSA's recalculation of the 1995 rental rate.

3. One less compensable day .... -83

1995 has one less compensable day (260) than 1994 (261). This request reflects one less compensable day in 1995 with a decrease of $83,000 ($60,000 for pay and $23,000 for benefits).

Total, mandatory decreases .... -1,163

Total, adjustments to base ..... -35 -35 -3,731

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Direct:	1993 Actual		1994 Estimate		1995 Request		Increase/Decrease	
Grades and salary ranges	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level IV, $115,700.....	1		1		1		...	
ES-5, $111,800.....	1		1		1		...	
ES-4, $107,300.....	17		17		17		...	
ES-3, $101,800.....	2		2		2		...	
ES-2, $97,400.....	2		2		2		...	
ES-1, $92,900.....	2		2		2		...	
GS/GM-15, $66,609-86,589.....	153		184		170		-14	
GS/GM-14, $56,627-73,619.....	88		47		39		-8	
GS/GM-13, $47,920-62,293.....	48		25		20		-5	
GS-12, $40,298-52,385.....	19		26		24		-2	
GS-11, $33,623-43,712.....	34		18		15		-3	
GS-9, $27,789-36,123.....	36		9		5		-4	
GS-8, $25,159-32,710.....	12		29		28		-1	
GS-7, $22,717-29,530.....	27		64		61		-3	
GS-6, $20,443-26,572.....	11		11		11		...	
GS-5, $18,340-23,839.....	7		7		7		...	
GS-4, $16,393-21,307.....	4		4		4		...	
GS-3, $14,603-18,986.....	2		2		2		...	
1995 pay raise.....		...		...		$381		$381
Locality pay.....		...		$1,375		1,375	...	...
Total, appropriated positions	466	$25,898	451	$25,335	411	$23,180	-40	-$2,155
Lapse.....	-54	-2,078	-45	-2,295	-45	-2,313	...	-18
Savings due to one less compensable day.....	...	-99	...	-60	...	...	...	60
Savings due to lower pay scales for part of year.....	...	-207	...	-344	...	-95	...	249
Net full-time permanent.....	412	23,514	406	22,636	366	20,772	-40	-1,864
Other than permanent:								
Part-time permanent.....	14	1,127	14	1,280	14	1,280	...	...
Temporary employment.....	17	319	17	320	17	320	...	...
Other part-time and intermittent employment.....	1	39	1	40	1	40	...	...
Other personnel compensation:								
Overtime.....	1	148	1	153	1	153	...	...
Other compensation.....	1	436	1	459	1	459	...	...
Special personal services.....	...	22	...	36	...	36	...	
Total, workyears and personnel compensation.....	446	25,596	440	24,884	400	23,020	-40	-1,864
Average ES Salary.....		($105,004)		($109,446)		($111,635)		
Average GS/GM Salary.....		($49,313)		($50,525)		($51,337)		
Average GS/GM Grade.....		(12.4)		(12.1)		(12.0)		

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Direct:

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Estimated a/ Workyears	1994 Estimated a/ Amount	1995 Request a/ Workyears	1995 Request a/ Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	412	$23,514	406	$22,636	366	$20,772	-40	-$1,864
11.3 Other than full-time permanent	32	1,476	32	1,600	32	1,600	...	...
11.5 Other personnel compensation	2	584	2	612	2	612	...	...
11.8 Special personal services payments	...	22	...	36	...	36	...	...
11.9 Total, workyears and personnel compensation	446	25,596	440	24,884	400	23,020	-40	-1,864
12 Personnel benefits		4,827		4,875		4,523		-352
13 Benefits to former personnel		14		16		16		...
21 Travel and transportation of persons		1,419		1,089		959		-130
22 Transportation of things		400		344		276		-68
23.1 GSA rent		5,501		6,640		6,297		-343
23.2 Rental payments to others		38		20		17		-3
23.3 Communications, utilities and miscellaneous charges		1,980		1,613		1,359		-254
24 Printing and reproduction		318		272		134		-138
25 Other services		3,208		4,097		4,106		9
26 Supplies and materials		448		819		637		-182
31 Equipment		1,814		1,328		578		-750
Total obligations		45,563		45,997		41,922		-4,075
Relation of obligations to outlays:								
Obligations		45,563		45,997		41,922		
Obligated balance, start-of-year		14,334		9,776		10,288		
Obligated balance, end-of-year		-9,776		-10,288		-12,118		
Adjustments in expired accounts		-4,948		...		...		
Outlays		45,173		45,485		40,092		

a/ The 1994 and 1995 estimated distributions of obligations reflect the current projected use of funds. The Division was not able to make these changes in the President's budget due to an agency-wide "lock-out" to these columns in the OMB MAX budget system.

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Indirect:	1993 Actual		1994 Estimate		1995 Request		Increase/Decrease	
Grades and salary ranges	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level IV, $115,700.....	...		...		...		...	
ES-5, $111,800.....	...		...		...		...	
ES-4, $107,300.....	2		2		2		...	
ES-3, $101,800.....	...		...		...		...	
ES-2, $97,400.....	...		...		...		...	
ES-1, $92,900.....	...		...		...		...	
GS/GM-15, $66,609-86,589.....	30		35		55		20	
GS/GM-14, $56,672-73,619.....	52		47		97		50	
GS/GM-13, $47,920-62,293.....	28		55		57		2	
GS-12, $40,298-52,385.....	...		...		...		...	
GS-11, $33,623-437122.....	1		31		72		41	
GS-9, $27,789-36,123.....	13		14		27		13	
GS-8, $25,159-32,710.....	5		5		5		9	
GS-7, $22,717-29,530.....	13		16		25		3	
GS-6, $20,443-26,572.....	4		4		7		3	
GS-5, $18,340-23,839.....	2		2		5		...	
GS-4, $16,393-21,307.....	...		...		...		...	
GS-3, $14,603-18,986.....	...		...		...		...	
1995 pay raise.....		...		...		$326		$326
Locality pay.....		...		$643		653		10
Total, indirect authorized pos.	150	$8,716	211	$12,090	352	$17,267	141	$5,177
Pay above stated annual rates....	...	33	...	46	...	...	...	-46
Lapse.....	-7	-408	-7	-137	-60	-511	-53	-374
Savings due to lower pay scales for part of year.....	...	-78	...	-125	...	-42	...	83
Net full-time permanent.....	143	8,230	204	11,874	292	16,714	88	4,840
Other than permanent:								
Part-time permanent.....	...	...	...	...	...	...	...	...
Temporary employment.....	...	...	...	...	...	...	...	...
Other part-time and intermittent employment.....	...	...	...	...	...	...	...	...
Other personnel compensation:								
Overtime.....	...	...	...	...	...	...	...	...
Other compensation.....	1	267	1	551	1	600	...	49
Total, workyears and personnel compensation.....	144	8,497	205	12,425	293	17,314	88	4,889
Average ES Salary.....		($107,300)		($111,839)		($114,076)		
Average GS/GM Salary.....		($49,083)		($48,212)		($48,563)		
Average GS/GM Grade.....		(12.5)		(12.2)		(12.1)		

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Indirect:

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Estimated a/ Workyears	1994 Estimated a/ Amount	1995 Request a/ Workyears	1995 Request a/ Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	143	$8,230	204	$11,874	292	$16,714	88	$4,840
11.3 Other than full-time permanent	...	...	...	...	...	...	...	...
11.5 Other personnel compensation	1	267	1	551	1	600	...	49
Total, workyears and personnel compensation	144	8,497	205	12,425	293	17,314	88	4,889
12 Personnel benefits		1,610		2,323		3,519		1,196
13 Benefits to former personnel		...		...		...		...
21 Travel and transportation of persons		...		507		701		194
22 Transportation of things		...		160		201		41
23.1 GSA rent		2,667		3,092		4,604		1,512
23.2 Rental payments to others		...		10		13		3
23.3 Communications, utilities and miscellaneous charges		...		751		993		242
24 Printing and reproduction		...		127		98		-29
25 Other services		3,488		5,732		5,130		-602
26 Supplies and materials		652		381		465		84
31 Equipment		...		618		422		-196
Total obligations		16,914		26,126		33,460		7,334

a/ The 1994 and 1995 estimated distributions of obligations reflect the current projected use of funds. The Division was not able to make these changes in the President's budget due to an agency-wide "lock-out" to these columns in the OMB MAX budget system.

Mr. MOLLOHAN. Testifying for the first time before the Committee will be the Assistant Attorney General, Anne Bingaman. Ms. Bingaman, as this is your first time appearing before the Committee, your biographical material will be submitted into the record.

OPENING STATEMENT

We welcome you to the committee today. I assure you that your written statement will be made a part of the record.

Ms. BINGAMAN. We are very happy to be here today and we appreciate it. This is Steve Sunshine, the Deputy for Merger Enforcement in the Antitrust Division. He is also the deputy in charge of administration and works closely with Tom King, our Executive Officer.

Let me say to all of you it is a great pleasure to be here and it is especially a pleasure to be here to thank this Committee for the support you gave us last year, because it was special in revitalizing and strengthening the mission of the Antitrust Division. We appreciate it very much, and I am grateful to be able to say that to you personally.

Let me tell you briefly what we did with the resources last year, why we need additional resources this year, and what we plan to do with them. Very briefly, last year we turned the money you gave us to increased paralegal support.

We have, for the first time, added serious paralegal support to the Division in the form of approximately 60 honors graduates of major institutions, very impressive people, who are significantly strengthening our litigation capability at a very economical and low cost, approximately $22,000, a little over, per year, so that is one thing we have done.

We are computerizing the Division. For the first time, in October we will be on a PC LAN network, thanks to the Committee, and the Attorney General gave us some money for that as well. This is a major step forward for the Division. We had been two-thirds on a 1978 Wang system, and frankly we were out-gunned and outmanned in the computer area, and it was a major problem. We will be networked. We will have comprehensive databases. We will have brief banks. We will be connected on the same database with all of our seven field offices and all of the sections in the Division and all of us in the Department. It is a major step forward for us.

Finally, we are hiring litigators. We have greatly strengthened the litigation capability of the Division, because, frankly we need to do that. We are happy about that and we think it will bear tremendous fruit in the months and years to come.

MAJOR AREAS OF EMPHASIS

That is what we have done on the money side. On the program side let me tell you briefly. Merger enforcement under Steve Sunshine has been greatly strengthened and we have intensified our analysis of the facts. We look very hard at mergers which in this age are strategic mergers. They are complex; many of them are literally tens of billions of dollars. They are heavily defended by outside counsel, the best lawyers in the world for very major transactions.

We are working very hard at these and we have had great success. We had 16 mergers abandoned, challenged or restructured in 1993. I took office on June 17th of that year. That is, we believe, a record. We are working on the numbers, but we are continuing that pace and we are very proud of our merger enforcement record to date.

Secondly, we have intensified civil conduct investigations. We have set up a new civil task force. We are looking hard at Section 2 and other types of civil conduct cases in addition to the cartel criminal cases that we have always looked at and continue to, and third we have added an international deputy for international antitrust issues.

It is the first time in the history of the Division that has been done, but it seemed to me, to the Attorney General, and the Congress approved it, that the time had come to recognize we were in a global economy; we needed. a permanent person with expertise. We were very fortunate to have Diane Wood take the job. She was associate dean at the University of Chicago and is probably the most preeminent international antitrust expert in the country. She has done a superb job representing us in the Japanese framework talks, in beefing up our international enforcement efforts and in a number of other programs I could discuss if you would like to. We have other accomplishments as well, but briefly, those are the major areas we have tried to emphasize in the last nine or 10 months.

MERGER ENFORCEMENT

What we hope to do in the future and what we are requesting here is an increased budget of $8.6 million to go solely to merger enforcement. This will make the first time the Hart-Scott-Rodino program pays its own way. The question is, why is this needed? Let me explain that to you briefly.

Mergers today in the 1990s are all over the papers. You see them everywhere; they are huge, they are complex, they are in basic industries—defense, health, telecommunications. They affect the prices paid by every consumer in this country. They affect the prices paid by the government, and these mergers are fundamentally different than the mergers were in the 1980s.

These are strategic mergers. That is, they are often competitors who are acquiring another competitor in part of a market for a strategic business reason. Many of the mergers in the 1980s were financial or money mergers or conglomerate mergers that didn't present any competitive problem, which the Clayton act is designed to prevent and which we have to enforce. So fundamentally, these mergers are different in kind because they are often among competitors. They are huge in size, as the whole country knows from reading the paper, and they are in very basic industries.

There is another aspect as well. Many of them are international and are with international companies. I will give you one quick example. In September we challenged a merger between General Motors and ZF Friedrichshafen, a major German maker of truck transmissions. It was a global market. We had to analyze the sales of truck transmissions by those two companies and all of their competitors in all markets in the world. We concluded that this was

a competitive problem and that we should challenge the merger for two reasons.

First, because there was a competitive overlap in particular types of truck transmissions, and second, because we believed it would harm innovation and research and development and would stagnate that market, and we saw that as a real threat to the growth of the American economy, to our exports, to workers, to jobs, to the vitality of this segment of the economy.

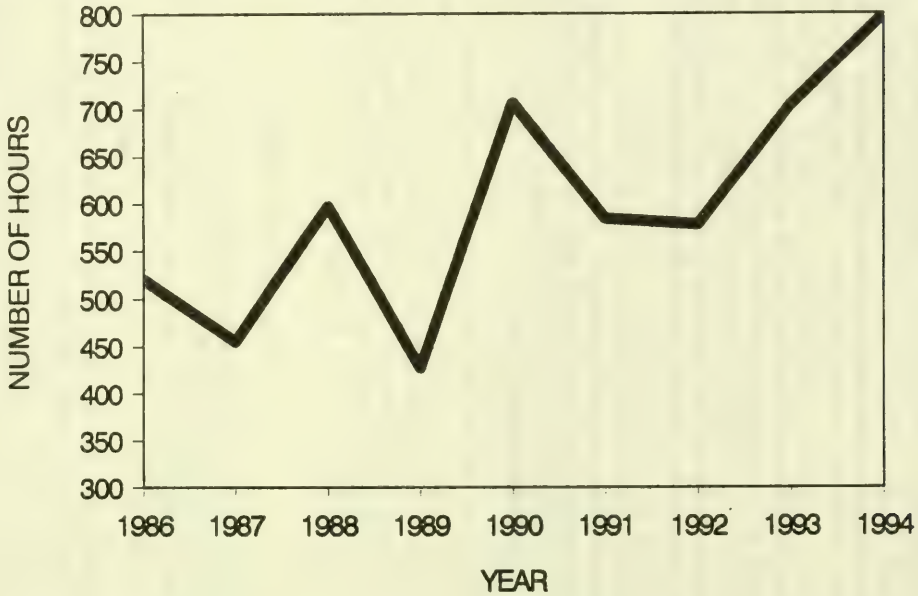
Analysis like that does not come easy. It involves economists, it involves lawyers, it involves paralegals, documents, it is difficult. But that is the job we are required to do, and it is increasingly required in the mergers we see coming ahead.

So fact number one is the mergers are different in kind. They are more complex, they are larger, they are in basic industries, they are international, and to do the job we have to do takes a lot of work. It takes more work per transaction than it used to.

[The information follows:]

HART-SCOTT-RODINO PREMERGER FILINGS

Increase in Average Work Hours in Initial Investigation



AVERAGE WORK HOURS PER MERGER INVESTIGATION

Ms. BINGAMAN. As you can see from this chart, from the time we took office or just before, you can see the average hours per merger investigation going up, and it is still going up at the same rate, and it is going up because the mergers themselves are more complicated, and there is a second reason as well. We are working very hard to improve the litigation capability and record of the Division.

CHALLENGING MERGERS

In the five years from 1988 to 1993, the Division brought 11 merger challenges, litigated in court, which were litigated to conclusion and the Division won only three of them. Frankly, we are going to turn that around or we are going to die trying. We are litigating the cases that we believe present a competitive challenge. We are gearing up to litigate the way an outside firm would litigate, the way the American people expect us to litigate, and the way our duties require us to and that means time and money and resources.

What we are doing specifically is the following: Before we make a final decision to challenge a merger, if we think there is likely to be a serious competitive problem after reading documents, interviewing witnesses informally, we now take depositions. That was never done before in the Division.

It involves travel. It involves preparation. It involves preparation of the witnesses, but it is necessary to both be sure if we should challenge, to lock in the testimony if we go to trial, and to litigate these cases if we think they are serious. We obviously don't do it in every case, but we do it in a number of them.

To give you an example, in Florida right now there is a merger we may challenge. We have taken 15 depositions so far. We haven't made a final decision yet, but that is the kind of thing we are doing in a number of mergers across the board.

Secondly, we do mock trials in mergers where we think we are going to challenge. We set our lawyers up facing off to each other. They try it to us, they try it to Steve. We decide, okay, what is the problem with this argument? Where are the holes? Who is right; who is wrong? It takes a lot of time. It can take a day, a day and a half. We learn from it. The people preparing learn from it. We do a better job.

Third, we hire outside experts earlier when we are going to use them. We work with them. We work these cases with the economists. We work them with the statistics. It is just old-fashioned litigation. A number of you gentlemen are lawyers and you know what is involved, and that is what we are doing. We are doing it to win these cases—we have our first challenge going to court June 6th in Detroit involving the Water Jets case. I had some letters from various people about it. But we have not yet tried a case. We will see. The proof is in the pudding and we will see what happens.

So that is why more time is being expended. It is the nature of the mergers and the nature of what we are doing. That is why we need additional resources, and we think the Congress and the people expect us to devote that kind of energy to these cases.

What this increase will do is for the first time put the Hart-Scott-Rodino program on a pay-as-you-go basis. This is not a tax. The people will be used for this program, but instead of being funded partially by Hart-Scott fees and partially by taxpayers, it will be funded entirely by Hart-Scott fees. The increase is modest. It is $15,000. It applies only to mergers of a minimum of $15 million. It is one one-thousandth of the cost of the smallest merger it would apply to.

The merger floor is also $110 million for the two companies combined in sales or assets, so this is not a significant amount of money, and we think given the needs of the economy, the needs of the Division, the needs of the country, this is a reasonable thing to do. It is actually revenue-positive, as you may realize, because by putting it on a pay-as-you-go basis for the first time, it saves approximately $4 million for the Treasury.

PERSONNEL RESOURCES

Let me put this in a little context for the Division. This is a chart that is really a little capsule history of the Division. Lest you think that we are getting fat in the Antitrust Division, let me tell you, we are beyond lean. I may not personally be lean, but the Division is downright skinny compared to the old days and compared, frankly, to the needs of the economy. And this chart shows it.

[The information follows:]

ANTITRUST DIVISION STAFFING COMPARED TO GROSS NATIONAL PRODUCT

YEAR	ACTUAL NUMBER OF ATTORNEYS	ACTUAL NUMBER OF OTHER EMPLOYEES	ACTUAL TOTAL STAFFING (EOY)	FTE (EOY)	U.S. GNP (IN BILLION DOLLARS)	ADJUSTED U.S. GNP (IN BILLION DOLLARS) a/	ADJUSTED U.S. GNP PER ATTORNEY (IN BILLIONS)
1980	456	526	982	971	$2,742.1	$3,823.4	$8.4/1
1981	447	487	934	938	$3,063.8	$3,884.4	$8.7/1
1982	349	454	803	798	$3,179.8	$3,796.1	$10.9/1
1983	298	399	697	740	$3,434.4	$3,939.6	$13.2/1
1984	296	371	667	684	$3,801.5	$4,174.5	$14.1/1
1985	287	351	638	631	$4,053.6	$4,295.0	$15.0/1
1986	274	337	611	634	$4,277.7	$4,413.5	$16.1/1
1987	235	299	534	565	$4,544.5	$4,544.6	$19.3/1
1988	233	307	540	515	$4,908.2	$4,726.3	$20.3/1
1989	229	280	509	508	$5,248.2	$4,840.7	$21.1/1
1990	255	286	541	513	$5,524.5	$4,894.4	$19.2/1
1991	294	308	602	544	$5,685.8	$4,860.2	$16.5/1
1992	295	312	607	588	$6,045.8	$4,994.0	$16.9/1
1993	297	297	594	590	$6,378.1	$5,138.6	$17.3/1
1994 b/	311	375	686	656	-----c/	----c/	-----
1995 b/	340	423	763	690	-----	-----	-----

a/ Adjusted for inflation with 1987 as base.
b/ Projected
c/ First quarter data not available until May 1994.

Mr. BINGAMAN. In 1980 there were 456 attorneys, 971 FTE. For a U.S. economy, an adjusted GNP of $3.8 billion. In 1993, 13 years later, it was 297 actual lawyers, 590 FTE, with an economy of $5.1 billion. And what you can see is we now have half as many lawyers per dollar of adjusted GNP as we did in 1980.

To put this into a little perspective for you with the remainder of the Justice Department, in 1993, the Antitrust Division was the only litigating division of the Justice Department which was below 1980 levels. The only one. Everyone else was even; we were 38 percent below what we were in 1980 with duties for competition enforcement in an economy which is increasingly global, complex, the transactions are complex.

Gentlemen, this is not empty money. We are accomplishing a lot with what we have. This money is needed to do the job that we are expected to do and charged to do by the statutes, and that is the reason for the request.

Now, I will be very glad to answer any and all questions to the best of my ability. What can I tell you?

[The biographical sketch and prepared statement of Ms. Bingaman follow:]

ANNE K. BINGAMAN
Biographical Information

Anne K. Bingaman was confirmed by the Senate as Assistant Attorney General, Antitrust Division on June 16, 1993. Prior to assuming her present position, Ms. Bingaman was a partner and the head of the litigation department at the law firm of Powell, Goldstein, Frazer & Murphy, in Washington, D.C.

Before coming to Washington in 1983, Ms. Bingaman was the founder and partner at the law firm of Bingaman and Davenport in Santa Fe, New Mexico (later Brown, Bain & Bingaman, in Santa Fe and Washington, D.C.). In 1981, Ms. Bingaman founded and co-chaired the State Bar of New Mexico's Antitrust Section. She also was an Associate Professor of Law (with tenure) at the University of New Mexico Law School. Other affiliations during her legal career have included the New Mexico Attorney General's Office; the law firm of Modrall, Sperling, Roehl, Harris & Sisk, (Albuquerque); the New Mexico Bureau of Revenue; the law firm of Brown & Bain (Phoenix and Palo Alto); and the law firm of Onek, Klein and Farr (Washington, D.C.).

Ms. Bingaman is a nationally recognized litigator who has served as lead or co-lead antitrust counsel in numerous major cases, including cases challenging price-fixing and monopolization. She also has served as antitrust counsel to an association of leading U.S. computer manufacturers. Ms. Bingaman's clients have included Fortune 50 and 500 companies, plaintiff classes and state governments.

Ms. Bingaman has devoted substantial effort to *pro bono* public service. Her contributions include organizing and leading the successful campaign in New Mexico to adopt the State's Equal Rights Amendment and to ratify and prevent repeal of the federal Equal Rights Amendment. She also organized and led the successful fight to open the New Mexico Military Institute to women. Her scholarship on financial discrimination led to her selection as principal consultant to the Federal Reserve Board on implementation of the Equal Credit Opportunity Act in 1975.

Ms. Bingaman is a Fellow of the American Bar Foundation and a Member of the American Law Institute. She is also a Member of the Board of Trustees of Stanford University. She received a Ford Foundation Fellowship for a Study of Women in Society in 1975; and was the founder and Co-Chair of the Antitrust Section of the New Mexico Bar Association (1982-84). Ms. Bingaman received the Distinguished Service Award from the New Mexico Bar in 1973 for her Equal Rights Amendment activites; the Margaret Sanger Award from New Mexico Planned Parenthood in 1989; and the Ernestine Stalhut Award from the Women Lawyers Association of Los Angeles in 1993.

Ms. Bingaman was born in Jerome, Arizona in 1943 and raised in Phoenix. She received her B.A. from Stanford University in 1965, attended the London School of Economics and Political Science (1964-65) and received her LL.B. from Stanford University in 1968. Ms. Bingaman is admitted to the Bars of the States of California, Arizona, New Mexico and the District of Columbia. She is married to Senator Jeff Bingaman (D-NM). The Bingamans have one son, John, who is 14.

STATEMENT OF ANNE K. BINGAMAN
ASSISTANT ATTORNEY GENERAL
ANTITRUST DIVISION

Before the House Appropriations Subcommittee
on the Departments of Commerce, Justice, and State,
The Judiciary, and Related Agencies

April 19, 1994

INTRODUCTION

Good morning, Mr. Chairman and members of the Subcommittee. It is a pleasure for me to appear before you today for the first time on behalf of the Antitrust Division of the Department of Justice, where I have had the honor of serving as Assistant Attorney General since June 16, 1993.

I begin by expressing my sincere gratitude for the longstanding and continuing support of this Subcommittee for the Division and its enforcement mission. I am particularly grateful for the additional support that we received for Fiscal Year 1994. Using these resources, we have made great strides in improving our effectiveness and expanding our enforcement activities.

Simply stated, our mission is to protect competition and consumers in increasingly international and technology-driven markets through sound and reasoned enforcement of the antitrust laws. To carry out this mission, we have undertaken major initiatives in the past ten months in the areas of mergers,

criminal enforcement, civil conduct, international enforcement, and certain special industries. Our record to date provides a concrete embodiment of our vision of antitrust enforcement, but, of course, it is only a beginning. In this spirit, today I would like to recount some of the more notable recent achievements of the Division:

- Increased level of merger enforcement. A total of 14 transactions have been challenged, restructured, or abandoned as a result of Division initiatives in the first half of Fiscal Year 1994. Our current rate, at the midpoint of this Fiscal Year, already surpasses the historical rate of eight to twelve per year in recent years. As I explain in more detail shortly, we anticipate a greatly increased number of strategic mergers requiring careful analysis and an increased workload.

One of the more important enforcement actions of the Division was our suit against the proposed acquisition of GM's Allison Division by ZF Friedrichshafen, which would have combined their bus and truck automatic transmissions businesses. We alleged that the transaction would result in a near total monopoly in product and process improvements and developments throughout the world. Our focus on the effects on innovation of this proposed acquisition is an example of how we will continue to strive to protect

competition in technology. We will focus increasingly on technology because we view innovation as crucial to consumer welfare.

- Successful and active criminal enforcement program. Our criminal enforcement program against naked restraints of trade remains vigorous. In Fiscal Year 1993, the Division filed 84 criminal cases against 63 corporations and 50 individuals. Fines of $42,295,000 were imposed as a result of convictions obtained. Total jail time for individuals was 4,950 days with additional confinement (house arrest, halfway house, community/ correction/treatment center) of 3,552 days. Thus far in Fiscal Year 1994, 32 corporations and 26 individuals have been fined a total of $19,159,000. Division attorneys are currently presenting evidence to 116 grand juries seated in districts nationwide.

We have increasingly prioritized the investigation of national and international price-fixing conspiracies and other cartels with substantial consumer impact. For instance, perhaps the most notable indictment returned since I took office was against General Electric, DeBeers Centenary AG, and two individuals for fixing the price of industrial diamonds. The indictment alleges that the two companies agreed to fix prices through an elaborate scheme of exchanging confidential future price information. The case is scheduled for

trial in the near future.

- Renewed emphasis on civil conduct cases. One of the major priorities of the Administration is the investigation and prosecution of cases involving civil conduct that violates the antitrust laws but does not warrant criminal prosecution. Whether these cases involve illegal acts by monopolists or by dominant firms attempting to achieve monopoly, illegal restraints imposed in relationships between a manufacturer and its distributors, or illegal agreements among competitors, they all involve allegations of conduct that are often industry-wide and cause significant consumer injury.

Additional resources in the Division, including a new Civil Enforcement Task Force, are now devoted to the identification, investigation, and, where appropriate, prosecution of cases alleging civil conduct violative of the Sherman Act. These efforts are bearing fruit. The Division has generated over 50 new civil conduct preliminary investigations in the last six months. In over half of those investigations, the Division has issued compulsory process. For comparison, in earlier years, the number of civil conduct investigations with compulsory process was in the range of four to eight per year.

I would like to point out one highly significant civil conduct case. Four weeks ago we settled U.S. v. Airline Tariff Publishing Co., which was opened in

the Reagan Administration and filed in the Bush Administration, by obtaining the agreement of the six remaining defendant airlines and their tariff publishing company to accept a consent decree. That decree prohibits computer exchanges of information that, in our opinion, constituted price fixing and which resulted in excess travel costs to the public of up to $2 billion.

- Addition of a Deputy Assistant Attorney General slot for international antitrust enforcement. The Division's international mission grows larger each year. As a result, last year we requested, and obtained, approval from Congress for the creation of a Deputy Assistant Attorney General slot for International Enforcement.

The Division is committed to enforcing our laws to the full extent contemplated by the United States Congress against all anticompetitive practices -- whether domestic or foreign -- that directly affect United States interstate commerce. Specifically, harm to U.S. domestic commerce, to U.S. import commerce and to U.S. export commerce are all within the scope of our laws. We will continue to be aggressive on this front, and we are pursuing several matters at this time.

In addition, we are revising the Department's 1988 International Antitrust Enforcement Guidelines, expanding our cooperation with international antitrust

enforcers -- among our key trading partners and in Eastern Europe, and acting as the Administration's competition advocate in interagency work within the Government, including serving as co-chair of the Deregulation and Competition working group in the U.S.-Japan Framework Talks.

- Efficient use of resources added in 1994. The Division is in the process of adding experienced trial lawyers, honors law school graduates, and economists to its staff. We have also introduced to the Division a greatly strengthened paralegal program to buttress the Division's investigation and litigation capabilities.

- Issuance of the joint Department of Justice/Federal Trade Commission Statements of Antitrust Enforcement Policy in the Health Care Area. These Statements, issued in September, 1993, respond to concern in the health care industry over antitrust uncertainty. Besides providing clear expressions of our enforcement policies which allow providers to engage in efficiency-enhancing, cost-cutting conduct that will not be anticompetitive, the Statements commit the Division and the FTC to provide expedited business review letters. We will continue to work with a number of health care groups to provide additional guidance to the health care community.

- Worked closely with the Administration in developing the

Administration's comprehensive telecommunications reform package. The Division presented testimony in January, 1994 on behalf of the Administration before the House Judiciary Committee and the House Subcommittee on Telecommunications of the House Energy and Commerce Committee. Generally speaking, the Division and the Administration believe that regulatory and technological barriers must be removed, and that the ultimate goal should be to encourage procompetitive entry in all areas of telecommunications, including local exchange services, information services, long distance, and manufacturing.

- Formation of an intellectual property task force to focus on issues involving intellectual property. Because intellectual property is a major and critical force in our economy, the establishment of a clear, coherent and publicly stated antitrust policy with respect to intellectual property is a top priority. The Division has constituted a Task Force to examine these issues in consultation with experts from academia, industry, and the bar and to revise the antitrust/ intellectual property enforcement policy guidelines that appeared in the Department's 1988 International Antitrust Enforcement Guidelines. In addition, we continue to work closely with Commissioner Bruce Lehman of the Patent and Trademark Office in this area.

- Participation on an advisory task force to the Defense Sciences Board.

The Division has participated on a Department of Defense task force that is seeking to determine the best manner to evaluate mergers of firms in the defense industry. A report was released on April 12, 1994, and it made clear that the salutary effect of antitrust enforcement will continue to be felt in the defense supply industries.

- Negotiation and execution of a new clearance agreement with the Federal Trade Commission. With respect to mergers, the public interest is best served if the necessary antitrust screening is done quickly and is consistent with an intelligent enforcement decision. To that end, we and the FTC have agreed on a new clearance procedure designed to reduce the time for resolving the issue of which agency will conduct a specific merger investigation.
- Expansion of the Division's corporate amnesty program. To help us uncover covert criminal antitrust violations and to expedite our investigations, in August, 1993, we announced a new Division policy under which we expanded our corporate amnesty program to include companies which come in to the Division to offer cooperation after an investigation has begun, not only before an investigation began as was the case under the old policy. The new policy appears to be succeeding. In the 15 years from 1978 to 1993, under the former, more restricted amnesty policy, a total of 17 companies availed themselves of

the policy. Since announcement of the new policy in August, 1993, nine companies have offered to cooperate in a period of eight months -- approximately one per month as compared to one per year under the previous policy.

- Withdrawal of the Department's 1985 Vertical Restraints Guidelines. Those Guidelines, rescinded last August, were inconsistent with current policy and case law and had been the subject of criticism by Congress, other antitrust authorities, and scholarly commentators.

For Fiscal Year 1995, we are requesting additional personnel and funds to sustain and move forward on these initiatives. Our enforcement activities in the last year demonstrate, and our budget request reflects, that we continue to "pay our way," meaning that we collect more money from fines and fees than we receive from our budget authority. This, of course, does not take into account the tremendous positive impact that we provide by maintaining competitive performance of the U.S. economy. As evidenced by our record to date, we remain fully committed to strong and effective antitrust enforcement and we hope that you will continue to support us in pursuing that goal.

1995 BUDGET REQUEST

For Fiscal Year 1995, the Division is requesting a direct appropriation of $41,922,000, and an additional $33,460,000 funded from filing fees under the Hart-Scott-Rodino ("HSR") premerger notification program for a total program level of $75,382,000. This funding level represents a net increase of $8,565,000 over last year's budget, and will provide for a total staffing level of 763 positions and 690 workyears -- an increase of 101 positions and 48 workyears.

These additional personnel and funds are needed for the Division to continue its program of rebuilding to an appropriate size to meet the challenges of fulfilling our mission in the 1990's and beyond. As most of the members of this Subcommittee are no doubt aware, the Antitrust Division's resources were reduced substantially during the 1980's. The Division shrank in size from 456 to 229 lawyers between 1980 and 1989, a reduction of approximately half. During this same period, the size of the U.S. economy increased substantially. Thus, we need to continue the process, begun by my immediate predecessor, of rebuilding the Division to an appropriate level.

Since taking office, I have been determined to get the Division back up to a more acceptable fighting strength. Thanks to the support of Congress and the Attorney General, we are starting to accomplish that. Of course, we are aware

that the Administration is actively seeking to reduce the size of the federal workforce. While we fully support that goal, there is a consensus in the Administration and the Department of Justice that the Antitrust Division has suffered disproportionally from past cuts, and that we now need to regroup and reconstitute the Division to an appropriate size to support our initiatives and goals for the rest of the decade. These initiatives will sustain the increasing role of antitrust to protect competition and consumers as markets become increasingly international and technology-driven. This makes the job of enforcement, especially merger enforcement, both more difficult and more important. By insuring a competitive market, especially in technology, we insure the preeminence of the U.S. economy, meaning jobs for American workers and exports for American businesses.

Moreover, we note that the Antitrust Division continues to "pay its own way" through the collection of criminal and civil fines, penalties and civil antitrust damages, and HSR revenue. In 1993, for example, the Division was responsible for the assessment and collection of over $45 million in fines, penalties, and damages. When combined with the $16.9 million it received in HSR filing fees, its total collections exceeded $62 million -- 101 percent of its allocated budget authority. Projections for 1994 indicate that, once again, the

Division will pay its own way.

Much of what is driving the need for increased funding is the new wave of mergers sweeping the markets. While the number of such transactions is increasing, more importantly, they are getting much more complex and resource intensive to investigate. First, many mergers now require analysis of international aspects and markets that were not nearly as prominent during the merger investigations in the 1980's. Such mergers present complicated substantive and procedural issues in investigating effects on American customers. Second, the nature of the transactions now under review has changed. During the 1980's, we saw many financial transactions, which usually required little or no antitrust review. Most mergers that we are now reviewing are predominantly strategic in nature, many involving actual or potential competitors, and thus raise important antitrust issues. These mergers involve such critical areas as the realignment of the telecommunications and defense industries, health care and financial markets, to name but a few. Because of the importance of these issues and industries, many transactions now require extensive investigation and detailed review.

We seek the additional resources necessary for the Division to responsibly carry out its enforcement mission, particularly in terms of improving our

litigation record in merger enforcement. In the last five years, the Division won only three out of eleven merger cases -- a clear reflection that merger cases are much more complex and harder to win, and that they require detailed analysis and adequate litigation support. We have taken major steps in the past ten months to improve our win/loss record and to be much more efficient in how we allocate our resources. Our litigation preparation, which includes taking depositions, interviewing witnesses, working with experts, litigation support, and other preparation, has been substantially upgraded, but these efforts require significant resource commitment. We have also changed our procedures to prepare for litigation much earlier in the process, including active Front Office participation at a much earlier point to resolve key issues and to shut down unproductive cases. These efforts have led the Division better able to carry out its fundamental mission.

Recognizing the need to be fiscally responsible, we have proposed that the requested 1995 increase in staffing associated with the review of HSR transactions be funded through an increase in the current filing fees charged companies required to file under the HSR notification program. This increase in the filing fee is expected to result in increased revenues to the Antitrust Division of about $12.6 million. Only $8.6 million is requested as additional funding;

the remainder is targeted to reduce the Antitrust Division's direct funding currently used to support the Division's review of HSR filings -- a cost savings of $4 million to the Federal Government made possible by offsetting filing fee revenue. Under this proposal, HSR fees will for the first time fund the entirety of the Division's HSR program.

HART-SCOTT-RODINO PREMERGER FILING FEES

To provide the increase in fee revenues, we are proposing that the Hart-Scott-Rodino premerger filing fee be raised from its current level of $25,000 per chargeable filing to $40,000. We feel that this increase, while significant to the Division's merger enforcement resource needs, will not negatively impact on companies required to file under the HSR program. The minimum size-of-transaction threshold for HSR reportablity is $15 million. Thus, the proposed filing fee increase for the smallest reportable merger represents one-tenth of one percent. In addition, in order for an HSR filing to be required by law, one party to the transaction must have total assets or sales of $100 million or more and the other must have $10 million or more. Moreover, only the acquirer pays the fee. We believe that this increase is more than justified and is necessary for the HSR program to carry its own weight, particularly in light of the increased

number of strategic mergers that require careful analysis and the heightened litigation effort that we are undertaking to improve the Division's win/loss record in this important area.

The Division's 1995 budget request increases our reliance on HSR fee collections from $20,820,000 to $33,460,000. This constitutes approximately 44 percent of our total budget authority. We expect, however, the trend of strategic merger activity to continue for some time to come. It is essential that the Antitrust Division remain alert during this critical time, and the increase in the HSR fee is vital to our ability to devote sufficient resources to this effort.

CONCLUSION

I hope that this description of the recent activities and priorities of the Antitrust Division shows our intent to fulfill its mission of protecting competition and consumers. We take our job very seriously, and know that when it comes to economic crime and market-distorting practices, we are the first line of defense, the "cop on the beat," for the American taxpayer and consumer. The Congress has always been supportive of the Division's efforts in the past, and we certainly hope that we can continue to rely on your support in the future.

QUESTION SUBMITTED BY CONGRESSMAN MOLLOHAN

Hart-Scott-Rodino Filing Fees

QUESTION: Your sister agency, the Federal Trade Commission, which equally shares these fees with you, did not fare quite so well in the budget wars with OMB. Unlike your Division, which would realize real growth of almost 10 percent over your base, FTC is looking at a slight decline in staffing. Based on the division of responsibilities between your agencies for maintaining competition, does it make sense to provide Antitrust a large increase and FTC no increase?

ANSWER: OMB appears to have allowed both the FTC and the Antitrust Division similar increases in their 1995 budgets. The President's 1995 budget request for FTC of $96,122,000 is $7,382,000 higher than its 1994 appropriation of $88,740,000. The Antitrust Division's 1995 budget request is $75,382,000, an increase of $8,565,000 compared to the 1994 appropriation of $66,817,000.

The Antitrust Division has determined that the greatest need and best use of additional resources is to hire much needed staff, primarily attorneys and paralegals, devoted to addressing Hart-Scott-Rodino mergers. The level of proposed mergers remains high, and the number of transactions posing substantial risk to competition is increasing. Areas that are receiving more thorough review include matters associated with health care, telecommunications, financial markets, the restructuring of America's defense industry, and the international implications related to many of the proposed mergers that the Division is now investigating. The funding and staffing increases requested by the Antitrust Division will be directed towards this effort.

Mr. MOLLOHAN. Thank you, Mrs. Bingaman. That is a very thorough presentation. And it is obvious that you are gearing up, so to speak, in order to accomplish your mission, and that is very admirable. You are advocating it and you are here fighting for the resources you need in order to carry out that responsibility.

We do have a few questions. The highlight of your request is, I think, the increase in the Hart-Scott-Rodino filing fees, and you obviously believe that this magnitude is reasonable and responsible. Let me just ask you to comment. This is, by my reckoning, about a 60 percent increase, and last year I think we had an increase of $5,000—from $20,000 to $25,000.

Do you think, just in terms of the magnitude of the increase, that it is reasonable?

Ms. BINGAMAN. I think it is completely reasonable, given the size of the transaction it applies to, $15 million or above, and that it is a one-one thousandth total cost of the very smallest transactions, and most are larger than that.

Mr. MOLLOHAN. Can you give us a good historical yardstick there with regard to the attorneys you have and how that relates to the economy? Can you put this increase in some kind of an historical perspective? What is this fee increase? How does it relate to the size of the filings as compared with 10 or 15 years ago?

Ms. BINGAMAN. You mean the dollar size of the filings?

Mr. MOLLOHAN. Yes.

Ms. BINGAMAN. We don't have those figures. But I would be glad to try to figure those out? Steve, do you know that?

Mr. SUNSHINE. The filing fee was first instituted in 1989, so we have a limited experience with the amount of dollars collected under the filing fees.

Mr. MOLLOHAN. Have you thought about what adverse impact this might have on industry?

Ms. BINGAMAN. We thought very hard about that. That is a very basic question in making this recommendation. We went back and looked and tried very hard to determine whether there had been any impact from the initial imposition of a fee, from zero to $20,000.

As you know, this used to be entirely funded by taxpayer money and the Congress went to partial funding from these Hart-Scott fees a few years ago. We could not determine that there was any impact on the transactions from that. We think because the fees are so minimal compared to legal fees in any acquisition, investment banking fees, SEC fees and others, it is not going to have a major impact. That is our best belief.

Mr. MOLLOHAN. Well, let me ask you this: I want to hold my questioning to five minutes and ask that in the first round the other Members of the Subcommittee do likewise. So my last question in this round relates to what effect these additional resources will have with processing, particularly these mega mergers that you talked about.

Do you have a sense of how much more quickly they can be processed? I know that the timeliness of the processing of these filings

is very important to the business deal itself. Could you comment on that?

Ms. BINGAMAN. Well, I will say that actually, because of the Hart-Scott deadlines in the statute, we do not—and I think it is fair to say—have not held up deals. Where they are delayed, and parties often blame us, I will tell you. It is because they don't comply with the document requests, and we are negotiating back and forth over whether we have enough documents to come to a final conclusion. But obviously with more resources, with more paralegals, with more economists, with better ability to get a handle on complex transactions, we can do a better job faster, but, to the best of my knowledge, we have not held up transactions; I believe that.

Mr. MOLLOHAN. Well, maybe I will come back to that in my second round. Mr. Rogers?

Mr. ROGERS. Ms. Bingaman, thank you very much. Your testimony was well put and I like the fact that you testified without any notes.

Ms. BINGAMAN. I used to be a law professor, so I got used to just talking, for what it is worth. Sometimes not much.

Mr. ROGERS. Well, that explains it.

Well, it was really good testimony.

Ms. BINGAMAN. I have got my hands full doing the best I can in my little corner of the world here.

FTE REDUCTIONS

Mr. ROGERS. You have been able to elbow your way around OMB, too, because you convinced them that even though they are cutting the prosecutors on criminal cases, you have talked them into giving you a substantial increase in your budget. Congratulations on your victory with OMB. Whether or not it stands up here is another question, but at least you have convinced the OMB.

Now, the rest of the Department is being asked to share in the President's recommended FTE reductions, especially in management and in administration. But you are exempt from those cuts. How did you manage that?

Ms. BINGAMAN. We have taken 20 across-the-board FTE's positions cut, as a matter of fact. To our regret and dismay and chagrin, it has hurt us badly. But we have actually had that. That has been applied in the past. So we have taken FTE cuts across the board.

Mr. ROGERS. I am talking about in your budget request. In your request to us, you are getting an increase.

Ms. BINGAMAN. Oh, you are saying——

Mr. ROGERS. You are requesting an increase.

Ms. BINGAMAN. I will tell you very honestly. Number one, I made about a two-hour presentation to the Attorney General last July. I had been in the building for about two months at that point, two-and-a-half, familiarizing myself. I had talked to a number of 60 or 80 people outside——

Mr. ROGERS. I understand your communicative skills. But, why does not your bureau or agency share in the same reductions that are being forced on the other agencies?

Ms. BINGAMAN. Congressman, if I could go to this chart once more, I have heard Janet Steiger say we gave at the office, and we

did. We gave bitterly in the 1980s. I will tell you honestly, it was not fair, it was not right, and it hurt antitrust enforcement. That is the basic reason. Because no one else suffered the cuts that we did, and I think this Administration recognizes that.

The numbers are indisputable. It happened. And it was a bitter blow.

Mr. ROGERS. I have seen your chart. The Criminal Division, which has a similar number of employees, is being reduced by 12 positions as a result of the FTE reductions, and yet you are getting an increase. I understand your point about that you were short-changed in the 1980s. But I am just talking about this period of time, when we are seeing the emphasis on the impact of violent crime cases being handled assumedly by the Criminal Division, and they are being cut. It is a strange commentary on the priorities that we see.

Ms. BINGAMAN. Well, could I respectfully ask to submit after this—I am sorry—in the rush to get out, we did a chart of the numbers just like this for each of the litigating divisions from 1980 to the present, and I will send you a copy of that chart. It is taken from Justice Management Division numbers. It is accurate so far as we are able to tell, and you will see in that the Criminal Division increased substantially in the 1980s. We decreased by half.

Mr. ROGERS. I will stipulate that.

Ms. BINGAMAN. And I presume that that has something to do with it. I wasn't in on the overall budget figures, but I can talk to my end of it.

CARRY OVER FUNDS

Mr. ROGERS. For FY94 we gave you $8 million above the request in order to allow you to begin to staff up to those pre-1980 levels. But I understand the Division is going to carry over $1.5 million of that to 1995 unspent.

Ms. BINGAMAN. Congressman, respectfully, I don't think that is correct. I think we carried over $1.5 million last year before I came to office, but I think the numbers for this year—we track those budget numbers, Steve Sunshine and Tom King, every couple of weeks and I think we are right on target.

Mr. ROGERS. Well, your table shows a carryover. That is where we got the question from.

Well, we will check into that.

Ms. BINGAMAN. All I can tell you is that is not my understanding, but again, we will be glad to go back and work through it.

INTERNATIONAL INVOLVEMENT

Mr. ROGERS. We will check it out as we proceed here. I want to ask you quickly about the new Deputy Assistant Attorney for International Antitrust Enforcement, which is something a lot of us have been pleading for and preaching about for a long time. In your written statement you referred to it and you say quote, "The Division is committed to enforcing our laws contemplated by the U.S. Congress against all anticompetitive practices, whether domestic or foreign, that directly affect U.S. interstate commerce," and that you are pursuing several matters at this time.

This is something that a lot of us have been wanting for some time. What is your comment on that?

Ms. BINGAMAN. Congressman, I came into this job and I shared that concern. All you have to do is read the papers and see what is going on internationally and in international commerce to understand the problem, both of price fixing in the U.S. market by foreign firms and of boycotts of U.S. exports in foreign countries, sort of the two sides of it.

Mr. ROGERS. Yes.

Ms. BINGAMAN. So it was clear to me I could not personally do that and do all of the other things that needed to be done. I didn't have the expertise in addition, even if I had the time, which I didn't, I don't have the personal background.

We hired and instituted this fifth deputy. We have geared up a significant enforcement effort in international antitrust, which is bearing fruit and I cannot say more than that about it publicly. I would be glad to give you a private briefing about where we stand on it. But we are encouraged. We are proud of our efforts, and we take them with the utmost seriousness.

I gave a speech to the Japan Society on this topic on March 3rd. I should send you a copy of that. It is directly relevant to this issue.

Mr. ROGERS. I would like to read that. I hope you pursue this with great vigor. I am taking it that you are. Because there is no question about the applicability of U.S. laws—to foreign competitors that violate our laws while doing business on our shores, and some of them with enormous results. For example, the balance of trade with Japan now reached an all time record high again this year, $130 billion or so, a good portion of which is attributable to anticompetitive practices, which would not be tolerated by American companies.

Ms. BINGAMAN. I could not agree with you more.

Mr. ROGERS. With the U.S. now in a world economy that does not recognize national borders, we are in the fight of our life. What used to be anticompetitive practices by U.S. companies which had enormous impact on the American consumer, the same impact on the American consumer now is being had by foreign competitors.

Ms. BINGAMAN. Congressman, you are singing my song. I couldn't agree more. I just think it fundamentally wrong for our companies to have to comply with U.S. law, and they do, and they know we will enforce it against them, and yet to open our markets to foreign companies which don't have to comply with the same law, it is just fundamentally not right.

Mr. ROGERS. How much staff are you giving this deputy?

Ms. BINGAMAN. She works closely with the litigating sections. I could not give a number. She has about seven directly under her, plus another four, plus another—oh, I couldn't—it is substantial. I will put it that way. They are spread out.

The reason I have trouble, we have a number of international cases on-going. We considered hard whether to form an international section that did only international cases and we ultimately decided against that, and decided to have her work instead with lawyers in each of the sections in the field offices who do cases involving these international issues. And that is why I am unable to come up with a number. There are 11 who I can come up with.

Mr. ROGERS. Do you expect that there will be an actual antitrust case on a foreign competitor?

Ms. BINGAMAN. Yes, yes.

Mr. ROGERS. Can you tell us roughly when?

Ms. BINGAMAN. I can brief you privately. I would be very happy and anxious to brief you privately, but you can understand my duties as a prosecutor. It is not appropriate for me to speak on the record. But I would be very glad to come talk to you at any time.

Mr. ROGERS. Well, if the Subcommittee has a significant interest, maybe we can do it in an in-house hearing. I think it is important. I am sure I have exceeded my five minutes.

Mr. MOLLOHAN. Mr. Moran?

BASEBALL ANTITRUST EXEMPTION

Mr. MORAN. Thank you, Mr. Chairman. I would like to talk about why Kentucky doesn't have a professional baseball team, nor does West Virginia, nor does Virginia. The fact is that there is an odd Supreme Court decision in 1922, and it hasn't really been challenged since.

The argument that the baseball owners make is that we have got a real tough commissioner that is going to keep us all in line. Well, the problem is that the commissioner's responsibilities have been gutted, and they don't even have a commissioner now, and yet the antitrust exemption is worth hundreds of millions of dollars, obviously, and many states around the country as a result have no professional baseball team, and a whole lot of kids who are good baseball players will never have a chance to play professionally.

What is your point of view on these sports antitrust exemptions?

Ms. BINGAMAN. I share your concern about the continuing validity of the Supreme Court case, Flood I believe is the name of it. I think there are serious anticompetitive concerns in this area, and we watch with interest.

Senator Metzenbaum had hearings earlier which I did not testify in but was thinking about. We have met with people on both sides of this issue. We have not yet taken a formal position for the Administration, but I will tell you, I am concerned about it. I share your concerns.

Mr. MORAN. Good.

Ms. BINGAMAN. Maybe George Mitchell. Did you know George Mitchell started his career in the Antitrust Division? I just found that out. So this may solve itself. Get George up here. That is true.

Mr. MORAN. This situation may solve itself very quickly.

Ms. BINGAMAN. I only found that out a couple of days ago, but it is a fact.

Mr. MORAN. Well, that is wonderful.

Ms. BINGAMAN. It is an odd twist of fate.

Mr. MORAN. Isn't it? Well, let's not get that out to the baseball owners.

Ms. BINGAMAN. Keep it a secret, close this record.

Mr. MORAN. Let's—incidentally, it just, let me throw a couple of flowers to you. First of all, you have a terrific resume, you are just so well qualified for the position you are in, and we are very pleased to have you there.

Ms. BINGAMAN. Thank you very much.

AIRLINE PRICE FIXING

Mr. MORAN. The other thing on that airline price fixing situation, it took a few minutes to figure out how they were working it out, but when you read it in the paper and you thought about it, it was a very substantial price fixing scheme and you fixed that. Thank you. That was terrific. A lot of money was saved as a result.

Ms. BINGAMAN. It was. We were very proud of it, but let me say to you now, that case was begun in the Reagan administration and continued in the Bush administration, and actually was filed the last day of the Bush administration.

And I think there is too much emphasis sometimes on an idea that antitrust is a partisan issue, and I really don't believe it is or should be. I think it should be law enforcement, it should be neutral, it should not swing with political parties, and I think that case is a good example of that. But we continued and pursued it vigorously, and we are proud of the results.

Mr. MORAN. I am glad you said that, because even during the, particularly during the Reagan years more so than the Bush years, the attorneys in Antitrust kept doing their job, it is just that they had less and less resources and less and less support from the White House.

But they maintained their professional responsibilities and conducted themselves very well. I am glad that they are giving more—I know they are being given more latitude to pursue these cases now and are being given a little more resources.

Ms. BINGAMAN. I am glad you appreciate that. Let me say one quick thing and that is the people of the Division are unbelievably dedicated professionals who have basically given their lives to this area of the law and are committed to it.

It is a uniquely American and wonderful institution that I think has created the economy we have through all kinds of Presidents, all kinds of historical situations, but it is something we can all be proud of.

PROFESSIONALISM OF STAFF

Mr. MORAN. Let me just ask one other general question. You get into some very complex issues in some of these cases, and perhaps the most complex is going to be in telecommunications, which will take up tremendous resources on your part to just monitor. How do you get the expertise?

Do you hire consultants that know what they are doing and so on that have worked with these firms?

Ms. BINGAMAN. Congressman, we like to think we do whatever it takes, and we start with a dedicated core of professionals. We have a 20-year history in telecommunications in the Antitrust Division. We filed the AT&T case.

We created this, again through four Presidents. Bill Baxter under President Reagan negotiated what can only be called a brilliant decree that anyone would be proud of, and it has created the revolution we are living through.

But we have 30 lawyers in the Division's, Communications and Finance section, but who now do only communications who do this work, and so we start with that. We have economists who are expert in telecommunications and who do that, and yet, we do hire outside experts.

I also have an advisor in the front office, Will Tom, who came to me who was expert in telecommunications who is lending a hand. Because you are right, the crunch of work right now is huge. It is enormous. David Turetsky is another person, we have devoted substantial work on the Hill.

For the first time, we are participating fully in the legislative work going on up here, and we are able to do that because of the resources you gave us, and I think it will improve competition and improve the bill that emerges.

Mr. MORAN. Very good. Thank you.

I don't have any further questions.

Mr. MOLLOHAN. Mr. Skaggs?

SCORING HART-SCOTT-RODINO FILING FEES

Mr. SKAGGS. Thank you, Mr. Chairman. Good morning. Welcome.

Just a couple of questions, one going back to the Hart-Scott-Rodino filing fee increase proposal. How is that to be scored? I mean that doesn't help us in terms of overall discretionary spending caps, but just who pays?

Ms. BINGAMAN. I am not sure I understand the question. I don't know budget language enough to know what scoring means. I apologize.

Mr. SKAGGS. What a pleasant state of mind that must be.

We are living with overall caps on how much discretionary spending the government can incur. The increase in filing fees means that we won't be looking to the general taxpayer to fund that activity of the Department, but it doesn't provide us any relief from those overall spending caps is the point I am making.

Is that how you understand it as well?

Ms. BINGAMAN. I apologize, Congressman. I have not been briefed on this, and I don't know enough about the overall budget caps.

My understanding was that it was critical that this be revenue neutral, and as it turned out, in fact, it was revenue positive because it funded a portion for the taxpayer. I will be glad to submit something, but I just don't know enough——

Mr. MOLLOHAN. We don't get scored for it. As a matter of fact, there is a net here in the appropriations under the request we get—there is a reduction of $4 million in offsetting fees.

Mr. SKAGGS. Okay.

Ms. BINGAMAN. That is what I was aware of, but I didn't know the rest of it. So thank you very much.

HEALTH CARE

Mr. SKAGGS. The other area I wanted to get your thoughts on has to do with antitrust enforcement in the health care area.

I know that you have issued, along with the FTC, some new guidelines, trying to make clear to providers what sorts of combina-

tions to achieve efficiency and cost savings are generically permitted.

Congressman Archer has a bill in that is called the Health Care Antitrust Improvements Act. Are you familiar with that proposal?

Ms. BINGAMAN. Generally, not in great detail, but generally.

Mr. SKAGGS. It would, at least on a quick reading, mainly be a grant of additional authority and discretion to you to define further safe harbor areas in which such activities would be permitted without running afoul of the antitrust laws.

What is your position on the Archer proposal?

Ms. BINGAMAN. Our position is I don't think we need additional authority; I think we have plenty as it is. We have crafted these safe harbors, they are working, I think.

We are engaged in 30 business reviews right now. Are you aware of our business review program of guaranteed business review within 120 days on any health care antitrust question, and the industry very appropriately is taking us up on that.

We are trying as hard as we can to reduce uncertainty, allow the markets to work where there is procompetitive innovation possible, and most of these business reviews in fact are favorable.

So it is allowing transactions to go forward. We are also working with industry to add additional guidelines in particular areas and to expand the guidelines, and that is under way right now.

So we believe we have the tools necessary, and we are working actively to do exactly as I stated.

Mr. SKAGGS. Looking at this from the point of view of say a couple of relatively small health care provider entities as opposed to a large hospital, engaging in an equipment sharing proposal, let's say—how user-friendly do you see the current arrangement being for the smaller scale physician group, trying to work out some arrangement with another relatively small physician group on the use of a particular piece of high-tech equipment?

Ms. BINGAMAN. We have a specific guideline on joint ventures involving purchase of high-tech equipment that sets out a safety zone for it, the business review procedure applies to that, and we had a couple of requests under it. I think it is really very easy. I don't think it is a problem.

I am not obviously opining on anything; you haven't given me any facts and I couldn't possibly do that in any event.

Mr. SKAGGS. Sure.

Ms. BINGAMAN. But my impression is these have been well received by industry. In fact, I was on a panel with the American Hospital Association recently and they were kind enough to say that they didn't think additional exemptions were necessary; they thought the administrative work we were doing was sufficient to allow health care antitrust to proceed and be workable and manageable for their individual entities anyway, and they are involved in a lot of these hospital physician groups. So I think it works.

Mr. SKAGGS. Any comparable conversations with representatives of physicians organizations?

Ms. BINGAMAN. Yes, many, many, many. We deal with them all the time. In fact, I am meeting with them tomorrow. The AMA is coming in. We met with them a couple of weeks ago; we met with them from the middle of last summer on. We meet with them—

they are a major group. We meet with a number—there are a number of specialty physicians groups, we meet with nurses' groups. We are wide open to the industry.

In fact, I have a counselor for health care, Bob Potter, who specializes in this, who does nothing but meet with industry, work on guidelines, he doesn't write all of the business reviews, he couldn't possibly, he also works with the Congress; this is a full-time job for him and then some, and it is a major portion of our responsibility as we see it to allow these markets to change as they need to change without being chilled by fear of antitrust enforcement that is not real.

The word "antitrust" is scary to people, you know. It just sounds complicated, it is frightening. The prospect of damages, you can understand that. So I come from Santa Fe, New Mexico and when I got this job, I put myself in the place of lawyers in small towns trying to advise small physicians groups and said, what would I make of this?

You know, maybe if I spent 500 hours, I could figure it out, but who could afford to pay me? We need to give some simple, straightforward guidance. We need to make business reviews generally available. We talked to the FTC, we did it promptly, we got them out September 15th.

Frankly, we don't talk about it much anymore, this is the first time I have had a chance—because we did it very promptly, it worked, it is under way, there is a lot of work going into it, but in all honesty, I am proud of that, because I think it was a responsible, responsive, and procompetitive thing to do.

Whether or not all of this health care legislation had been going on, the fact is the markets are in turmoil and that is one segment of the American economy, and antitrust is a big sort of fear factor that may be chilling the markets when it shouldn't.

That is what we are trying to do—give honest, rational guidance on a case-by-case basis. As I say, most of these business reviews come out fine, it is no problem. People feel like great, if there is a four-month absolute limit. So we are proud of that.

Mr. SKAGGS. I appreciate your statement very much. If you could, not for the record, but just to my office, personally get me some of that business review.

Ms. BINGAMAN. Sure, be glad to.

Mr. SKAGGS. That would be great.

Thanks, Mr. Chairman.

TIMELINESS

Mr. MOLLOHAN. Thank you, Mr. Skaggs.

Ms. Bingaman, going back to timeliness, there are all kinds of ways of measuring your effectiveness and how well you think that the antitrust folks are doing their job. I am interested in the issue. You are going to be reviewing these matters more thoroughly, you are going to be preparing better.

But with regard to large scale mergers can you talk to us about the timeliness of processing these matters? Will the increase in resources that you are requesting and that you have already received allow you to do that more quickly?

Ms. BINGAMAN. Obviously with more people, we can do more work more quickly.

Mr. MOLLOHAN. Is that a goal of yours? I know you want to be more thorough, better prepared, you want to——

Ms. BINGAMAN. Always. It is a goal generally across the Division to get things out quicker. There is no question about that.

Mr. MOLLOHAN. How do you talk about that in the agency?

Ms. BINGAMAN. I will tell you exactly what we do. We just had a meeting yesterday about it. We said, we have got to get a percent chart for every matter in the office, put it on a 12-month time line, put the due dates for document requests, start depos, end depos, no-or-go decision on the case, and a filing of a complaint if one is going to be filed, different schedule for grand juries, different yet for mergers.

We have three different kinds of cases. But that is what we are doing because it is a delicate balance. As the government, you don't want to bring a case that shouldn't be brought. You have enormous power, you can do enormous damage.

On the other hand, if you overwork cases, that is if you study something three or four years—I am talking now not in the merger area, but in other areas—and it goes on too long, and the study goes on too long and there really is damage to the economy from that practice, you have done damage there.

So it is a balance between being thorough and being responsible and responsive.

Mr. MOLLOHAN. Right now, what would you consider a timely response to a notification of a merger of two large corporations—the communications industry, for example? What would you consider to be a timely response?

Ms. BINGAMAN. It varies on the merger. I will give you an example that is over, so there won't be any problem for the record. Bell Atlantic, TCI. They have now abandoned that. It had nothing whatsoever to do with us, so I think it is reasonable—I don't think there is a problem talking about it; it is not a pending matter. That was in the paper.

I don't think a Hart-Scott was actually ever filed on it because they never actually consummated a deal, and yet to the public's mind, and we actually did have people working on it because we thought it was going to be a deal; we actually met with the parties, we were involved in analyzing that even before a Hart-Scott was filed, because we didn't want to be behind the eight ball.

But we weren't delaying anything, because the parties were still negotiating. A lot of times these deals get announced before there is actually a deal and there is no Hart-Scott filed, and that starts the clock running. We are under a tough statutory clock on these Hart-Scott matters.

On the big, big mergers, they often aren't consummated—they usually aren't consummated for months and months afterwards, because you have securities hurdles to clear, you have local regulatory, you often have FCC regulatory hurdles. So I am not aware that we have ever held up a major telecommunications merger.

Mr. MOLLOHAN. I am not suggesting you have; I am just inquiring.

Ms. BINGAMAN. To the very best of my knowledge, we have not. We are not a factor in that.

Mr. MOLLOHAN. Mr. Rogers?

Mr. ROGERS. I have no further questions.

Mr. MOLLOHAN. Thank you very much for your testimony.

Ms. BINGAMAN. Thank you all very much.

Mr. MOLLOHAN. We will be submitting some questions for the record.

Ms. BINGAMAN. We will be very glad to answer them.

Thank you very much.

[The following questions were submitted to be answered for the record:]

Mr. Chairman, I will be happy to answer any questions that you or other members of the Subcommittee may have.

WEDNESDAY, APRIL 20, 1994.

IMMIGRATION AND NATURALIZATION SERVICE

WITNESSES

DORIS MEISSNER, COMMISSIONER
CHRIS SALE, DEPUTY COMMISSIONER
SUSAN S. JACOBS, ACTING ASSOCIATE COMMISSIONER, FINANCE
KENNETH W. RATH, ACTING EXECUTIVE ASSOCIATE COMMISSIONER, MANAGEMENT
JAMES A. PULEO, ACTING EXECUTIVE ASSOCIATE COMMISSIONER, OPERATIONS
T. ALEXANDER ALEINIKOFF, GENERAL COUNSEL
THERESE M. McAULIFFE, ACTING ASSISTANT COMMISSIONER, BUDGET
STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION
MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION
ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. MOLLOHAN. The hearing will come to order.

Continuing our review of the Department of Justice, we will now hear testimony from the Immigration and Naturalization Service, which requests $1,149,488,000 for their Salaries and Expenses appropriation for fiscal year 1995. In addition, the INS estimates obligations of $689 million from their various fee accounts.

[The justifications follow:]

Department of Justice

Immigration and Naturalization Service

Estimates for Fiscal Year 1995

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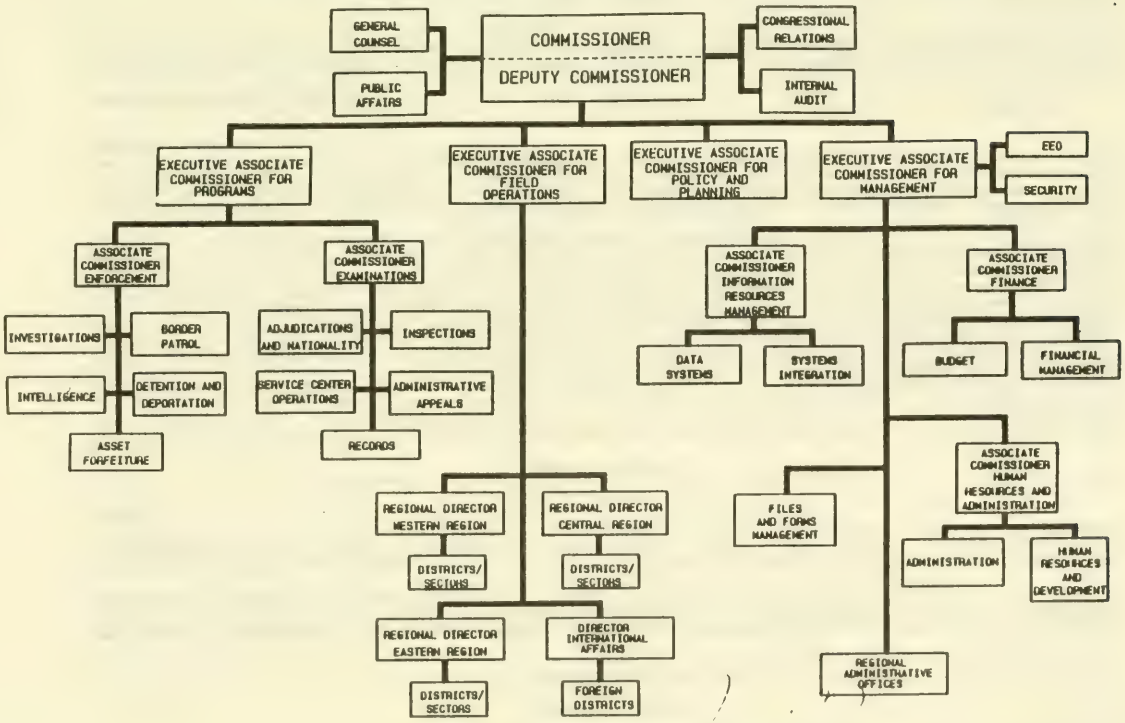
IMMIGRATION AND NATURALIZATION SERVICE



Approved: _____ Date: _____
JANET RENO
Attorney General

Immigration and Naturalization Service

Salaries and expenses

Summary Statement

Fiscal Year 1995

The Immigration and Naturalization Service (INS) is requesting, for 1995, a total of 12,995 permanent positions, 12,723 workyears and $1.149 billion. This request represents an increase of $100.95 million over the 1994 appropriation enacted of $1.048 billion.

In addition, the INS is also requesting 111 positions, 111 workyears and $10.56 million as part of the 1995 consolidated Organized Crime Drug Enforcement (OCDE) budget request. OCDE resources are contained in the Department of Justice Interagency Law Enforcement Appropriation and will be allocated to INS on a reimbursable basis.

Budget Planning

The budget planning process at INS led to the development of three major priorities for the 1995 budget. These three priorities are: Improving Service to the Public, Strengthening Control of our Borders, and Addressing Infrastructure Needs to support agency operations. In developing these priorities, INS has recognized the importance of facilitating legal immigration and the entry of visitors to our country, and providing those who are paying fees for these services the quality of service they deserve. The budget request for this account, as well as the Immigration User Fee budget and the Immigration Examinations Fee budget, reflects INS efforts to address this important priority. At the same time, it is important to control illegal migration to a point where it no longer undermines the basic premise of our immigration laws. The INS priority of Strengthening Control of our Borders, which builds on the Administration's 1994 Immigration Initiative, crosses all major budget accounts and includes resources to facilitate legal entry and detect attempts at illegal entry at land and air ports-of-entry. In addition, the thrust of this priority extends beyond the immediate border to include enhanced efforts directed toward reducing illegal employment opportunities and the marketability of fraudulent documents, while protecting the rights of United States citizens and legal aliens.

It is equally important, however, to address infrastructure requirements. The priorities of Strengthening Control of our Borders, and Improving Service to the Public are difficult to achieve without adequate infrastructure support. Accordingly, the INS has addressed the important priority of Addressing Infrastructure Needs by making adjustments within existing resources, as well as requesting limited enhancements in the fee supported accounts.

Improving Service to the Public.

A key element in the strategy of Improving Service to the Public, is to focus on improving processes and directing public and private sector attention and resources on the "N" of INS, Naturalization. Current

naturalization processes within INS must be carefully examined and streamlined, and sufficient personnel must be available to efficiently adjudicate the increased number of applications for this most important of immigration benefits. However, making naturalization a priority at INS is not enough. We must reach beyond INS and find ways of linking existing populations with the new populations by being aggressive in public education about naturalization. People must be made aware of the advantages of and the procedures for naturalizing. Over 58 percent of the $30 million in investment resources requested in this budget initiative will be directed toward improved information dissemination and cooperative agreements with community based organizations, ethnic networks, and educational institutions. These resources will enable the INS to form alliances between Federal, State and local levels around naturalization and public education campaigns.

Strengthen Control of Our Borders.

A key component of the INS strategy to Strengthen Control of Our Borders is to reduce the pressure of illegal entry through an expanded and improved Employer Sanctions program. Program investments of $32.7 million are requested to implement these improved Employer Sanctions strategies within the INS. However, improvements in the Employer Sanctions program, if they are going to be truly successful, must be made in partnership with investments for related efforts in the Executive Office for Immigration Review and the Office of Special Counsel. Accordingly, in conjunction with this request, increases totaling $5.7 million are included in the budget requests for the Office of Special Counsel and the Executive Office of Immigration Review. The key elements of the Employer Sanctions strategy are to: 1) reduce illegal employment opportunities; 2) reduce the marketability of fraudulent documents; and, 3) protect the rights of U.S. citizens and legal aliens. The INS will reduce the magnet of illegal job opportunities by targeting high-risk industries and taking action against employers who repeatedly hire unauthorized workers. In addition, fingerprint data will be incorporated into work authorization documents, and the electronic capability to verify work eligibility will be significantly expanded. Finally, we will work closely with the Office of Special Counsel to increase efforts to educate employers about their responsibilities to comply with the law in non-discriminatory ways and prosecute those who do discriminate.

Addressing Infrastructure Needs.

In an effort to address infrastructure needs, the INS has made limited adjustments within existing resources. In addition, the budget requests for the Immigration User Fee account and the Examinations Fee account include investments which address critical support infrastructure needs of the Service.

National Performance Review Supervisory Target.

As the INS implements the personnel increases reflected in this budget for FY 1994 and 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

In order to fully and effectively implement the various immigration initiatives to control the border and to improve service to the public, INS will not be asked to take an across the board cut in FTE as part of the President's executive order to reduce the Federal Workforce.

Crime Control Fund.
In the President's 1995 Budget of the United States Government, the Administration announced its strategy for immigration reform. In addition to the $68 million in investments requested in the appropriated account for naturalization promotion and education, and reducing the magnet of job opportunities, the President proposed additional investments of $300 million from the Crime Control Fund to improve border security and control illegal immigration. Of the total resources, $264.2 million will be for INS activities. The remaining $35.8 million will be for other Department of Justice components that are integral parts of the immigration process. The enhancement will allow the Service to close the door to illegal immigration while keeping it open to legal immigration by strengthening border control, expediting the removal of criminal aliens, and providing for comprehensive asylum reform.

The $264.2 million proposed for INS does not appear within this document in terms of the decision units. Pending passage of the Crime Bill, the Administration will then submit a detailed plan for allocation of the Crime Control Fund resources for immigration and other activities.

Immigration and Naturalization Service
Salaries and expenses
Justification of Proposed Changes in Appropriation Language

The 1995 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including not to exceed $50,000 to meet unforeseen emergencies of confidential character, to be expended under the direction of and to be accounted for solely under the certificate of, the Attorney General; purchase for police-type use (not to exceed [597 of which 302]^ are for replacement only) without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and research related to immigration enforcement; [$1,048,538,000]^ , of which not to exceed $400,000 for research shall remain available until expended [, and]; of which not to exceed $10,000,000 shall be available for costs associated with the Training program for basic officer training;^ Provided, That none of the funds available to the Immigration and Naturalization Service shall be available to the Immigration and Naturalization Service shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $25,000: Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: Provided further, That not to exceed $5,000 shall be available for official reception and representation expenses[: Provided further, That the Land Border Fee Pilot Project scheduled to end September 30, 1993, is extended to September 30, 1996 for projects on the northern border of the United States only]. [In addition, section 286 of the Immigration and Nationality Act of 1952 (8 U.S.C.1356), as amended is further amended--
(1) in subsection (d), by striking "$5", and inserting "$6"; and (2) in subsection (h)(2)(A), by deleting subsection (v), and inserting the following: "(v) providing detention and deportation services for: excludable aliens arriving on commercial aircraft and vessels; and any alien who is excludable under section (212(a) who has attempted illegal entry into the United States through avoidance of immigration inspection at air or sea ports-of-entry. "(vi) providing exclusion and asylum proceedings at air or sea ports-of-entry for: excludable alien arriving on commercial aircraft and vessels including immigration exclusion proceedings resulting from presentation of fraudulent documents and failure to present documentation; and any alien who is excludable under section 212(a) who has attempted illegal entry into the United States through avoidance of immigration inspection at air or sea ports-of-entry.".] (94 Stat. 96-98; 22 U.S.C., 1621-1645; 50 U.S.C. App. 2001-2017; Department of Justice and Related Agencies Appropriations Act, 1994.)

346 of which 177

$1,149,488,000

and of which not to exceed $30,000,000 for grants, cooperative agreements, and administrative expenses to implement streamlined naturalization services, including promotional activities, shall remain available until expended.

Explanation of Changes:

1. The first change will allow for the purchase of passenger vehicles that will accommodate the Service's vehicle replacement needs.
2. The second change will allow the Service to actively promote and facilitate the naturalization process and ensure that the naturalization benefits are provided to all persons eligible.

Immigration and Naturalization Service
Salaries and expenses
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity / Program	1994 President's Budget Request 1/			Congressional Appropriation Actions on 1994 Request			1994 Change 2/			Adjustment for Stay-in-School FTE's			1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Enforcement															
Inspections	1,062	1,396	$96,344	-163	-78	-$10,000	...	...	$564	...	22	...	899	1,340	$86,908
Border Patrol	5,471	4,771	397,564	93	92	-134	-130	20	1,870	...	58	...	5,434	4,941	399,300
Investigations	1,982	1,748	151,080	-37	-72	-5,692	...	...	266	...	18	...	1,945	1,694	145,654
Detention & Deportation	1,733	1,599	194,180	-47	-35	-15,103	...	...	...	...	48	...	1,686	1,612	179,077
Intelligence	61	58	5,515				...	...	...	...	6	...	61	64	5,515
Subtotal	10,309	9,572	844,683	-154	-93	-30,929	-130	20	2,700	...	152	...	10,025	9,651	816,454
Citizenship & Benefits:															
Int'l Affairs and Outreach	247	123	10,000	-247	-123	-10,000	...	...	...	...	...	...			
Immigration Support															
Training	75	71	8,302	...	...	...	...	...	...	...	4	...	75	75	8,302
Data & Comm. Systems	181	170	52,506	...	...	...	...	...	...	...	6	...	181	176	52,506
Information & Records Mgmt.	740	718	42,068	...	...	...	...	...	...	...	41	...	740	759	42,068
Const. & Engineering	14	13	8,384	...	...	...	...	...	...	...	1	...	14	14	8,384
Legal Proceedings	500	412	36,742	-64	-44	-4,585	...	...	...	...	22	...	436	390	32,157
Subtotal	1,510	1,384	148,002	-64	-44	-4,585	...	...	...	...	74	...	1,446	1,414	143,417
Program Direction															
Management & Administration	867	822	91,367	...	...	...	...	...	...	...	59	...	867	881	91,367
Total	12,933	11,901	1,094,052	-465	-260	-45,514	-130	20	2,700	...	285	...	12,338	11,946	1,051,238

1/. Request includes the original request of $1,018,052 plus the budget amendment of $76,000,000 for a total of $1,094,052.

2/. This reflects an adjustment in positions and workyears to agree with the Administration's final decision on the Border Patrol initiative to bring 1,010 agents on the border by 1995. Also included are reimbursable resources of $2,700,000 for High Intensity Drug Trafficking Area's (HIDTA).

Immigration and Naturalization Service
Salaries and expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	WY	Amount
1994 As Enacted	12,338	11,661	$1,051,238
Stay-in-School FTE Adjustment	...	285	...
Transfer from General Administration for mail management	...	...	36
Mandatory increases	126	532	72,810
Decreases	...	...	-30,170
1995 Base	12,464	12,478	1,093,914

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
Estimates by budget activity	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	10,025	9,651	$816,454	10,025	10,120	$843,607	10,291	10,240	$863,089	266	120	$15,651
2. Citizenship and Benefits	...	...	...	...	...	...	189	94	27,761	189	94	27,761
3. Immigration Support	1,446	1,414	143,417	1,446	1,414	149,162	1,529	1,452	158,219	83	38	15,651
4. Program Direction	867	881	91,367	993	944	101,145	986	937	100,419	-7	-7	15,651
Total	12,338	11,946	1,051,238	12,464	12,478	1,093,914	12,995	12,723	1,149,488	531	245	55,574

Immigration and Naturalization Service
Salaries and expenses
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1993 As Enacted Perm. Pos.	WY	Amount	1993 Actual Perm. Pos.	WY	Amount	1994 Appropriation Anticipated Perm. Pos.	WY	Amount	1995 Base Perm. Pos.	WY	Amount	1995 Request Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Enforcement:																		
Inspections	930	1,346	$84,904	930	1,194	$83,203	899	1,340	$86,908	899	1,340	$88,322	892	1,333	$87,475	−7	−7	−$847
Border Patrol	4,863	4,571	361,659	4,863	4,804	354,473	5,434	4,941	399,300	5,434	5,278	410,640	5,423	5,267	408,649	−11	−11	−1,991 1/
Investigations	1,949	1,830	139,509	1,949	1,786	136,932	1,945	1,694	145,654	1,945	1,694	148,728	2,232	1,835	171,848	287	141	23,120
Detention and Deportation	1,466	1,476	161,636	1,466	1,563	160,641	1,686	1,612	179,077	1,686	1,744	190,070	1,683	1,741	189,325	−3	−3	−745
Intelligence	60	57	5,445	60	52	5,543	61	64	5,515	61	64	5,847	61	64	5,792	...	...	−55
Subtotal	9,268	9,280	753,153	9,268	9,399	740,792	10,025	9,651	816,454	10,025	10,120	843,607	10,291	10,240	863,089	266	120	19,482
Citizenship & Benefits:																		
Adjudications & Naturalization	...	...	..	...	...	..	...	...	...	...	...	...	189	94	27,761	189	94	27,761
Immigration Support:																		
Training	77	73	8,286	77	88	10,887	75	75	8,302	75	75	8,530	75	75	8,443	...	...	−87
Data and Communications Systems	168	157	48,742	168	152	46,516	181	176	52,506	181	176	54,161	180	175	53,520	−1	−1	−641
Information and Records Mgmt.	770	748	41,430	770	810	42,179	740	759	42,068	740	759	43,633	799	787	52,056	59	28	8,423
Research and Development	4	4	597	4	3	708	...	...	...	...	...	...	...	...	...	...	...	...
Construction and Engineering	14	13	7,331	14	21	−3,326 2/	14	14	8,384	14	14	9,542	13	13	9,398	−1	−1	−144
Legal Proceedings	437	409	30,829	437	416	31,213	436	390	32,157	436	390	33,298	462	402	34,802	26	12	1,506
Subtotal	1,470	1,404	137,215	1,470	1,490	128,177	1,446	1,414	143,417	1,446	1,414	149,162	1,529	1,452	158,219	83	38	9,057
Program Direction:																		
Management and Administration	860	800	87,559	860	941	98,483	867	881	91,367	993	944	101,145	986	937	100,419	−7	−7	−726
Total	11,598	11,484	977,927	11,598	11,830	967,452	12,338	11,946	1,051,238	12,464	12,478	1,093,914	12,995	12,723	1,149,488	531	245	55,574
Reimbursable Workyears		6,943			6,349			7,042			7,122			7,356			234	
Total Workyears		18,427			18,179			18,988			19,600			20,079			479	
Other Workyears:																		
Holiday		2,505			2,590			2,505			2,505			2,505			...	
Overtime:																		
AUO		786			613			786			679			679			...	
Other		1,169			1,208			1,220			1,382			1,402			20	
Total compensable workyears		22,887			22,790			23,499			24,166			24,665			499	

1/. The impact of the reduction for locality pay and administrative savings is offset by program investments included in the Administration's Immigration Initiative proposed to be funded by the Crime Control Fund.

2/. The negative obligation is the result of the deobligation of $12.5M in no-year construction funds previously shown as an obligation for a reimbursable agreement with the CALTRANS for the construction of the San Clemente Border Patrol checkpoint.

Immigration and Naturalization Service
Salaries and expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

Activity: Enforcement

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	899	1,340	$86,908	899	1,340	$88,322	892	1,333	$87,475	-7	-7	-$847
Border Patrol.....	5,434	4,941	399,300	5,434	5,278	410,640	5,423	5,267	408,649	-11	-11	-1,991
Investigations.....	1,945	1,694	145,654	1,945	1,694	148,728	2,232	1,835	171,848	287	141	23,120
Detention and Deportation.....	1,686	1,612	179,077	1,686	1,744	190,070	1,683	1,741	189,325	-3	-3	-745
Intelligence.....	61	64	5,515	61	64	5,847	61	64	5,792	...	...	-55
Total.....	10,025	9,651	816,454	10,025	10,120	843,607	10,291	10,240	863,089	266	120	19,482

This budget activity contains most of the resources dedicated to both preventing illegal entry into the United States and facilitating the entry of qualified persons. This activity includes inspecting applicants for admission, patrolling the border, locating undocumented aliens who are in the United States following illegal entry or are in violation of their status after legal entry, detaining and deporting illegal aliens, and enforcing the employer sanctions provisions of the Immigration Reform and Control Act of 1986. In addition, it provides a capacity to scientifically examine and analyze documents to assist in the identification, investigation and prosecution of major conspiracies which provide fraudulent documents to smuggled aliens.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	899	1,340	$86,908	899	1,340	$88,322	899	1,333	$87,475	-7	-7	-$847

LONG-RANGE GOAL: To ensure that the entry of applicants for admission into the United States is controlled in a manner that is consistent with the National interest, facilitate the entry of qualified applicants, and identify and deny admission to those not qualified.

MAJOR OBJECTIVES:
Inspect (in cooperation with other Federal agencies) all applicants for admission into the United States at land border ports-of-entry. (Funding for inspections at air and sea ports-of-entry is included in the Immigration User Fee budget.)

Prevent the entry of inadmissible applicants through land border ports-of-entry.

Detect fraudulent documents including those representing false claims to U.S. citizenship or permanent residence status and seize conveyances used for illegal entry.

BASE PROGRAM DESCRIPTION: The function of this program is to enforce and administer the immigration and nationality laws with respect to the inspection of all persons seeking admission into the United States. This process is coordinated with the Department of State, the U.S. Customs Service, the Department of Agriculture, and local port authorities. Determination of inadmissibility is based on examination of the applicant, related documents, and/or prior information. National and local lookout systems containing information relating to excludable aliens are available for use at each port-of-entry. Inadmissible aliens are denied entry into the U.S. Any criminal activity discovered in the inspection process is referred to the appropriate law enforcement authorities for investigation.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Inspections program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Persons Inspected.....	420,946,495	420,169,463	440,000,000	460,000,000
Vehicles Inspected - Land Border Inspection Fee.1/	433,011	620,421	700,000	2,000,000
Inadmissible Aliens Intercepted.....	823,173	791,550	800,000	810,000
Seizures of illegal Drugs.	2,950	3,000	3,000	3,000

1/ This workload indicator pertains to vehicle inspections performed as a part of the dedicated commuter lane pilot projects. The Congress extended the authorization for these projects through FY 1996 and limited the program to ports-of-entry on the northern border only. A complete discussion of this activity is contained in the budget request for the Land Border Inspection Fee account.

In action taken on the 1994 budget request, the Congress has indicated that it expects the Service to add 200 Immigration Inspectors at the land borders in 1994, to be funded from fees which are to be collected for the processing of applications for benefits for which fees are expected to be charged beginning in 1994. The forms for which a fee would be charged include: Arrival/Departure Record (I-94); Non-Immigrant Visa Waiver Arrival/Departure Record (I-94W); Mexican Border Visitors Permit (I-444); Canadian Border Boat Landing Permit (I-68); and, Replacement Non-Resident Alien Border Crossing Card (I-586, I-185). These fees will be deposited in the Immigration Examinations Fee account, which will provide the resources for the new land border inspectors.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	899	1,340	$88,322	892	1,333	$87,475	-7	-7	-$847

Reductions of 7 positions, 7 workyears and $847,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Border Patrol....	5,434	4,941	$399,300	5,434	5,278	$410,640	5,423	5,267	$408,649	-11	-11	-$1,991

LONG RANGE GOAL: To ensure that the entry of persons into the United States between ports-of-entry is controlled in a manner that is consistent with the National interest as established and provided by Congress by preventing entry of persons who have not been inspected and by detecting and apprehending illegal aliens within the United States.

MAJOR OBJECTIVES:
Deter uncontrolled entry into the interior of the United States by the rapid detection, interception, and apprehension of illegal entrants at or near the border.

Between ports-of-entry, interdict drug smugglers, potential terrorists and criminals or deter them from attempting illegal entry.

Cause persons seeking admission into the United States to present themselves at designated ports for inspection.

BASE PROGRAM DESCRIPTION: The function of this program is to deter or prevent illegal entry or locate and apprehend aliens and other illegal entrants at or near the border. In addition, the Border Patrol has primary responsibility for drug interdiction between the ports-of-entry. Border Patrol officers engaged in surveillance activities to prevent entry or apprehend those who have illegally crossed the borders are supported by computer-monitored electronic ground sensors which alert them to illegal entries. Additional support is provided by observation aircraft, low light level television systems and infrared viewing devices. Patrol officers use a wide assortment of vehicles adapted to local terrain and operational requirements, including motorcycles, all-terrain vehicles, boats and horses. In addition, linewatch traffic check operations are conducted along major routes of travel to restrict access to the interior by illegal aliens. Transportation centers are placed under surveillance for the same reason. The Patrol conducts numerous interagency drug task force operations with other Federal, State and local law enforcement agencies through its participation in Operation Alliance along the southern border. To further assist the Border Patrol in this endeavor, all Border Patrol agents receive Drug Enforcement Administration Title 21 cross-designated authority in their basic training in Glynco, Georgia.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Border Patrol program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Deportable Aliens Apprehended 1/.....	1,199,587	1,288,496	1,400,000	1,450,000
Smuggled Aliens Apprehended.....	69,538	80,788	84,000	88,000
Smugglers Apprehended..	17,237	15,266	15,800	16,000
Number of Criminal Aliens Apprehended.....	29,119	33,238	33,500	34,000
Number of Seized Conveyances	17,113	9,732	10,000	11,000
Number of Drug Seizures..	5,948	6,828	6,800	6,900
Value of Drug Seizures ($000).....	$1,216,834	$1,242,796	$1,250,000	$1,275,000

1/ The number of deportable aliens apprehended includes both the count of smuggled aliens and smugglers apprehended.

In 1993 the Border Patrol apprehended 1,288,496 illegal aliens along the United States border, a 7.4 percent increase over 1992. In addition, the Border Patrol apprehended 33,238 criminal aliens in 1993, a 14.1 percent increase over 1992. The level of apprehensions is estimated to increase again initially in 1994 with the addition of 620 agents to the border (discussed in the following paragraph). The apprehension levels are expected to moderate once the agent enhancement is fully implemented and the deterrent effect of requested key technologies such as fencing, lighting, and other surveillance equipment combines to discourage repeated illegal crossing attempts. Such enhancements effectively channel the illegal traffic into more controlled areas where the Patrol can concentrate its enforcement resources.

The Service's 1994 appropriation includes resources that will allow the deployment of 620 Border Patrol Agents to the Southwest border areas experiencing the highest levels of illegal entry. This enhancement includes: 350 new agent positions, 231 support positions, and $45 million. Included in these resources are funding for contract transportation of aliens, technological enhancements, temporary holding/processing facilities, and fencing and lighting enhancements. Technological enhancements include fingerprinting technology for the positive identification of aliens that will make possible the use of statistical measurement techniques to better measure the effectiveness of enforcement resources. In addition to new agent positions, a portion of the support enhancement will be used to redirect Border Patrol Agents currently performing non-agent duties (transporting aliens, vehicle maintenance and inventory, constructing and repairing fences, clerical work, etc.) back on the line. In total, an increase of over 600 additional agents on the line will be realized.

The Border Patrol has made significant accomplishments in the effort to stop the flow of illegal drugs into the United States. In 1992, the National Drug Control Strategy called for increased interdiction efforts along our southern border to raise the trafficker's cost of doing business and to disrupt, dismantle, and destroy trafficking organizations. In this regard, the Office of National Drug Control Policy provided additional funding in 1992 and 1993 for Border Patrol traffic check operations on the southwest border for the interdiction

of drug and alien smugglers. In 1992, the Patrol intercepted nearly 700,000 pounds of marijuana for a 132 percent increase over the previous years seizures. In addition, the Border Patrol seized nearly double the amount of cocaine in 1992, compared to 1991, with over 38,000 pounds seized. The drug seizure trends continued through 1993 with the Patrol reflecting a 14.8 percent increase in the number of seizures with 6,828 for the year compared to 5,948 seizures last year. The amount of cocaine seized by the Patrol has also continued to increase with over 34,800 pounds and a 10.2 percent increase in the amount seized through three quarters of 1993 compared to the same period in 1992. The Patrol remains committed to its designation as the primary drug interdiction force between the ports of entry on the southern land border.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Border Patrol.....	5,434	5,278	$410,640	5,423	5,267	$408,649	-11	-11	-$1,991

Reductions of $1,991,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes. The reduction of eleven positions will be made to administrative support positions and not to agent positions, in fact the Crime Control Fund will add 150 additional agent positions.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations.....	1,945	1,694	$145,654	1,945	1,694	$148,728	2,232	1,835	$171,848	287	141	$23,120

LONG-RANGE GOAL: To enforce the Immigration and Nationality Act within the interior of the United States; identify law violators and gather evidence of violations of the Immigration and Nationality Act and related criminal laws; and initiate appropriate criminal prosecution or provide information to support administrative action to effect removals from the United States.

MAJOR OBJECTIVES:
Investigate and apprehend aliens who commit major criminal offenses, with emphasis on international criminal alien organizations involved in narcotics trafficking, subversion, terrorism, alien smuggling, and other serious or violent criminal activities.

Deter the employment of illegal aliens by identifying and targeting employers of unauthorized workers and then vigorously pursuing administrative and criminal sanctions against those who violate the law.

Prosecute and deter arrangers, facilitators and smugglers who conspire with and assist aliens to fraudulently obtain immigration benefits or perpetrate major fraud schemes.

Identify criminal aliens incarcerated in Federal, State and local prisons to facilitate their deportation upon completion of their sentences.

Prosecute aliens who illegally apply for and collect benefits from government entitlement programs, prevent the filing of fraudulent claims, and support civil proceedings to recover benefits illegally obtained.

Provide investigative support to other Service branches by locating aliens who have absconded from deportation or exclusion proceedings, develop grounds for denial of petitions and applications, and obtain government evidence for administrative proceedings.

BASE PROGRAM DESCRIPTION: The functions of this program include the detection of criminal law violations and the identification of violators through covert operations and other investigative procedures, and initiate criminal prosecution or administrative action. Many of the cases investigated involve violators associated with large-scale, highly organized criminal conspiracies. Quite often, these criminal alien organizations are simultaneously engaged in other illegal activities such as racketeering, alien smuggling, counterfeiting, prostitution, official corruption, narcotics, weapons trafficking and extortion on an international scale. Special Agents identify these organizations through interviews, the use of informants, surreptitious surveillance, as well as undercover and task force operations. Investigative task force operations concentrate the resources of a local office, or combine the resources of several offices, to identify the members and activities of a criminal organization.

Another major area of investigations activities involves employers who knowingly hire illegal aliens and aliens who enter the United States and illegally obtain employment. Administrative and criminal investigations are accomplished through traditional investigative techniques, such as interviews at places of residence and employment, and reviews of public and business records. Investigations often require the service of subpoenas and search warrants to obtain evidence or to gain access to employment sites.

Criminal Aliens
IRCA and other statutes mandate expeditious identification and processing of aliens convicted of deportable offenses.

During FY 1992, the Department of Justice (DOJ) conducted a survey of Federal and State correctional systems and submitted a report of its findings to the Senate and House Judiciary Committees. The survey reflected that over 57,000 foreign-born nationals (FBN) were currently incarcerated (based on felony convictions) in the nation's Federal and State penitentiary systems. Currently INS is unable to accurately determine the total number of prison inmates in the United States who are "criminal aliens" as required by §510 of the Immigration and Nationality Act of 1990 (IMMACT '90). However, the INS continues to determine the number of FBNs as §507[1]

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[1] Section 507 of the Immigration Act of 1990 requires the fifty states (and Guam, the U.S. Virgin Islands, Puerto Rico and the District of Columbia) to submit plans for furnishing to INS data concerning FBNs convicted of certain crimes within their states (e.g., many narcotic violations, crimes involving moral turpitude, etc.) and to provide certified records of conviction for those FBNs that INS has identified as deportable criminal aliens. The states have responded positively to this requirement of law. As the law is being implemented, Investigations staff are able to obtain, more expeditiously and systematically, information required under the law. Therefore, the incarcerated criminal aliens will be able to begin the IHP more efficiently. The availability of records of conviction expedites processing of aliens for deportation, and greatly facilitates the administrative hearing process.

of IMMACT '90 is further implemented. It is anticipated that as these and other laws are more fully implemented and the Institutional Hearing Program (IHP) in Federal, State and local prisons is fully operational, the INS will be better able to accurately determine the number of deportable aliens in the prison systems of this country, process them for deportation proceedings and, upon receipt of a final order of deportation and completion of their sentences, remove them from this country.

The Investigations program is working in close coordination with the Executive Office of Immigration Review (EOIR) to improve and expand (where necessary) the IHP, so that incarcerated alien felons can be identified and processed for deportation proceedings and complete the entire deportation hearing process during the period of their incarceration. Upon the completion of the inmate's sentence, the alien can then be immediately removed from the United States without coming into INS custody, without the attendant delay for continued administrative (deportation) hearings and, most importantly, without being detained at further government expense.

In 1992, the Service began targeting violent criminal alien gangs in 36 U.S. cities. This effort focuses on violent criminal alien gangs in designated cities where INS special agents, frequently in coordination with other law enforcement officials, seek to identify, apprehend, convict and remove from the United States alien members of these criminal groups and ultimately dismantle their organizations. The Investigations program will continue its commitment to the Organized Crime Drug Enforcement Task Force (OCDETF) and the Violent Gang Task Force (VGTF) and work in coordination with other Federal, State, and local law enforcement agencies to place serious criminal offenders who are aliens into deportation proceedings, and where applicable, remove them from the United States.

In addition, this program is responsible for the management of the Service's assets forfeiture activities.

Fraud and Smuggling

The principal goal of the Fraud program is to discourage illegal immigration through fraud and to protect the integrity of benefits and documents legitimately provided to authorized aliens by INS. In an effort to accomplish this goal, INS is aggressively targeting complex criminal organizations involved in immigration fraud for criminal prosecution. One investigation recently completed by INS resulted in the dismantling of one of the largest counterfeit document manufacturing and distribution organizations in INS history. As a result of this investigation, the INS seized 250,000 fraudulent documents valued at over $7 million, two printing presses, counterfeit currency, and handguns. With regard to alien smuggling, the growing problem of Chinese alien smuggling by sea is of particular concern. In FY 1993, six boats were seized in United States territorial waters with Chinese seeking asylum. The boat smuggling investigations are complex, expensive, and international in scope. One recent smuggling vessel carried more than 500 illegal aliens. Boat smuggling investigations involve interpreter costs, domestic and international travel, specialized equipment needs, large numbers of smuggling suspects, and high witness and prosecution costs. There were also ten boats intercepted before reaching U.S. waters. This has changed the dynamics of the Chinese smuggling. The smuggling continues but the interception is occurring primarily outside the U.S. Instead of boats with large numbers of people, the matriculation appears to be in smaller numbers and a variety of illegal entry methods. This is expected to increase the number of smuggling attempts and therefore, smuggling investigations in the near future.

Employer Sanctions

Investigations enforcement resources for employer sanctions are primarily directed to lead-driven investigations, while continuing to conduct a sufficient number of random inspections to gauge the national compliance rate. Due to their complexity, lead-driven investigations and investigations involving repeat

offenders require more time to complete. Consequently, the number of completed cases has decreased over the past three years.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Investigations program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Criminal Organizations 1/				
Cases Completed.....	94	100	100	58
Defendants Prosecuted....	182	250	250	145
Cases completed per workyear	2.1	1.0	1.0	1.0
Deportable Aliens Apprehended				
Criminal Aliens 2/.....	36,625	43,633	47,000	47,000
Smuggled Aliens.....	8,607	8,600	8,600	8,600
Other.....	24,048	17,126	24,000	24,400
Employer Sanctions				
Lead Investigations.....	5,275	5,000	5,000	5,800 3/
General Administrative Plan Inspections.....	1,704	2,500	2,500	2,500
Notice of Intent to Fine..	1,461	1,200	1,200	1,280
Lead Investigations per workyear.....	25.8	27.0	27.0	27.0
General Administrative Plan Inspections per workyear	75.0	78.0	78.0	78.0
Fraud 4/				
1. Organizations/Facilitators				
Cases Completed.....	1,000	400	420	450
Defendants Prosecuted	337	160	168	180
Cases Completed per workyear.....	7.2	5.0	5.0	4.9
2. Individuals				
Cases Completed.....	1,325	928	928	928
Defendants Prosecuted	95	56	56	56
Cases Completed per workyear	51.6	51.6	51.6	51.6
Smuggling				
Cases Completed.....	2,073	2,000	2,000	2,000
Defendants Prosecuted....	1,802	1,700	1,700	1,700
Cases Completed per workyear	11.2	11.2	11.2	11.2

1/Includes workload related to Violent Gang Task Forces beginning in 1992.
2/Includes incarcerated criminal aliens who will be released to INS after completion of their sentence.
3/Full impact of requested enhancement in employer sanctions resources will appear in 1996, at which time the program will be able to complete 10,000 lead-driven cases and issue 1,700 Notices of Intent to Fine.

4/Decrease in Fraud workload is related to the shift of resources to Violent Gang Task Forces.

The focus of the Investigations program reflects three basic enforcement priorities of the Immigration and Naturalization Service: enforcement of employer sanctions, removal of criminal aliens, and detection and deterrence of fraud and smuggling.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations.....	1,945	1,694	$148,728	2,232	1,835	$171,848	287	141	$23,120

A key component of the INS priority to Strengthen Control of Our Borders is to reduce the pressure of illegal entry through an expanded and improved Employer Sanctions program. Total INS program investments of $32.7 million are requested to implement improved Employer Sanctions strategies. Of this amount, an investment of 294 positions, 148 workyears, and $24,191,000 is requested for the Investigations program. These resources will be applied to the two primary sanctions strategies of reducing both the marketability of fraudulent documents and employment opportunities for unauthorized workers.

The Investigations program request includes resources of 57 positions, 29 workyears, and $5,062,925 to be directed toward efforts to reduce the marketability of fraudulent documents. Currently, the resources devoted to conduct counterfeit document investigations are inadequate to keep up with the growing market in fraudulent documents. INS now has fewer than 200 agents to investigate major suppliers and manufacturers of counterfeit INS documents. Although the Service receives information from the Social Security Administration (SSA) regarding the use of counterfeit and duplicate social security numbers (SSNs), the current level of resources is insufficient to pursue all of these leads. The ease with which aliens can obtain fraudulent documents has had a significant negative effect on INS's efforts to enforce employment laws.

The requested increase in Investigation's resources will allow the Service to increase the criminal prosecution of counterfeit document organizations and employer/employee document fraud conspiracies. The Service will target not only the major suppliers of fraudulent documents and those who knowingly use or receive fraudulent documents for the purpose of complying with employment verification, but will also pursue information supplied by the Social Security Administration regarding use of counterfeit or duplicate social security numbers. These activities will result in a significant increase in criminal prosecutions and civil money penalties for fraudulent document activity.

In addition, the Investigations program request includes a resource investment of 237 positions, 119 workyears, and $19,127,954 to enhance efforts to reduce fraudulent employment opportunities. With an estimated 8.8 million employers, fewer than 250 investigators are currently able to work employer sanctions related cases. These resources are insufficient to permit targeting of industries that historically have depended on illegal labor; investigate lead-driven cases; and conduct an acceptable level of follow-up investigations. At present, the Service is able to investigate only a fraction of the estimated 13,000 referrals which it receives from the Department of Labor on employers reported to be in violation of sanctions laws. In addition, a backlog of 23,000 lead-driven cases has developed. The limited resources that can be devoted to sanctions work allows the

Service to re-investigate only 10 percent of those employers who have been previously warned or issued a final order. In most instances, employers only have further contact with INS if new allegations are received.

The additional resources will allow the Service to greatly strengthen its enforcement of employer sanctions through the removal of unauthorized workers from the U.S. labor pool and the punishment of those individuals and businesses that contribute to illegal migration by hiring unauthorized workers. The Service will institute a national sanctions program targeting industries historically reliant upon illegal alien labor, such as meat-packing, poultry processing, re-forestation contractors, and the garment industry. It will increase its re-inspection of employers previously fined and those identified through the Department of Labor as suspected of being in violation of employer sanctions provisions, and institute fines against repeat offenders. The additional resources will also be directed toward investigating the backlog of 23,000 lead driven cases.

The Service's Employer Sanctions improvement strategies of reducing both the marketability of fraudulent documents and fraudulent employment opportunities as described in the Investigations program are supported and strengthened by investment requests in two other Service programs, the Information and Records Management program and the Legal Proceedings program. The Information and Records Management program investments will provide expanded access by employers to the Service's pilot Telephone Verification System (TVS) to assist employers in determining that an individual applying for employment is not an unauthorized alien. In addition, this program's investment resources will enable the Service to develop reference and education materials, conduct workshops, and develop an "800" hotline number to assist employers in complying with employer sanctions legal requirements. The Legal Proceedings program investments will support the intensified employer sanctions enforcement efforts in the handling of the increased level of employer sanctions litigation and civil document fraud cases.

Additionally, improvements in the Employer Sanctions program, if they are going to be truly successful, must be made in partnership with investments for related efforts in the Executive Office for Immigration Review (EOIR) and the Office of Special Counsel (OSC). Increases totaling $5,700,000 are included in the budget request for EOIR and OSC. Of this amount, 12 positions, 6 workyears, and $743,000 are included for EOIR to handle the increased caseload arising from the expanded employer sanctions effort and civil document fraud cases.

Reducing discrimination against legal aliens and protecting their rights is an integral part of this overall initiative. Resources will be devoted to outreach and education campaigns to employers and the general community. This initiative provides $3,000,000 for the OSC for community-based grants to educate employers and potential victims resulting in more voluntary compliance with employer sanction statutes. In addition, $2,000,000 and 13 workyears will be added to OSC to expand its ability to vigorously prosecute those employers who discriminate against individuals on the basis of appearance or speech. These increases are included in the OSC budget.

Reductions of 7 positions, 7 workyears, and $1,071,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation.....	1,686	1,612	$179,077	1,686	1,744	$190,070	1,683	1,741	$189,325	-3	-3	-$745

LONG-RANGE GOAL: To detain, until ready for removal, aliens subject to exclusion and deportation proceedings who are likely to abscond or represent a danger to public safety and security. Maintain and further develop a system that ensures that every case involving a deportable or excludable alien is processed expeditiously and that the alien is removed from the United States when appropriate.

MAJOR OBJECTIVES:
Promptly remove deportable and excludable aliens and avoid detention to the greatest extent possible.

Ensure that adequate alien detention capability is available by staffing and maintaining nine Service Processing Centers (SPCs), and detaining aliens when necessary in non-INS facilities which meet INS standards.

Allow other enforcement programs to operate effectively by quickly removing detained aliens.

BASE PROGRAM DESCRIPTION: The Detention and Deportation program is a critical element in the structure of the Service. Its functions are the detention, exclusion, expulsion, removal, parole and deportation of aliens. Service and non-Service (contract) facilities are used to detain, until ready for removal, those aliens subject to deportation or exclusion proceedings who are likely to abscond or whose freedom at large would clearly represent a danger to public safety and security. In the performance of the deportation function, the Service maintains a system of controls that ensures that every case involving a deportable alien is efficiently and correctly processed and, if necessary, the alien's removal from the country is effected promptly.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Detention and Deportation program are presented in the following table:

Item	1992	1993 1>	Estimate 1994	Estimate 1995
Detention:				
Aliens detained (Total)..	82,326	72,764	76,764	82,551
INS Facilities.....	46,589	31,153	32,866	35,343
Non-Service Facilities...	35,737	41,611	43,898	47,208
Number of detention days.	2,169,604	1,694,323	1,839,198	2,018,606
INS Facilities.....	1,074,329	720,289	781,878	858,148
Non-Service Facilities...	1,095,275	974,034	1,057,320	1,160,458

Item	1992	1993 1>	Estimate 1994	Estimate 1995
Expulsions:				
Aliens expelled.....	1,112,281	1,286,487	1,357,188	1,459,502
Voluntary departures under docket control.....	8,153	7,701	8,143	8,757
Voluntary departures not under docket control...	1,060,729	1,232,119	1,299,779	1,397,765
Deportations effected....	37,402	42,666	45,059	48,455
Exclusions effected.....	5,997	4,001	4,207	4,525
Deportable aliens located, percentage expelled....	92%	80%	87%	88%
Expelled aliens, percentage detained.....	7.5%	5.7%	5.7%	5.7%
Recognizance, Bond and Supervision:				
Aliens released on recognizance.....	6,142	2,712	2,848	3,212
Aliens placed on bond....	34,099	65,345	65,000	65,000
Aliens placed under supervision.....	320	783	1,031	1,034

1> Prior to 1993, workload statistics funded by both the Salaries and Expenses appropriation and the Immigration User Fee account were combined.

During 1993, the Detention program operated nine SPC's: Boston, Varick Street, Aguadilla, Krome, Port Isabel, El Paso, El Centro, Florence and San Pedro. The combined capacity of these nine facilities is now 2,864 beds. INS utilized four private contract detention facilities, located in Denver, Laredo, Houston, and Seattle. These facilities provided an additional 567 bed spaces for INS. A standard statement of work for contract facilities has been developed and will be used for future contracts with private sector entities. INS also contracts with over 900 State and local prisons and jails for bed space to detain aliens.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation.....	1,686	1,744	$190,070	1,683	1,741	$189,325	-3	-3	-$745

Reductions of 3 positions, 3 workyears, and $745,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	61	64	$5,515	61	64	$5,847	61	64	$5,792	...	...	-$55

LONG-RANGE GOAL: To develop an international immigration intelligence capability for the collection, analysis and dissemination of information regarding global migration patterns and trends, and provide intelligence support on a regular basis to INS's operational components for enhanced effectiveness and efficiency.

MAJOR OBJECTIVES:
Provide the tactical/operational intelligence assistance and support needed by the Chief Patrol Agents, District Directors, and field units to accomplish their mission.

Provide strategic intelligence assessments to INS management that have long term importance/relevance to the mission of the agency in terms of operations, planning and policy.

Maintain liaison with appropriate United States and foreign government agencies on immigration and national security matters including the movement of known or suspected international terrorists.

Furnish assistance in the detection of fraudulent identity documents to international law enforcement agencies and international air carriers.

Provide technical support and assistance in the prosecution of major document counterfeiters, alien smugglers and other violators of the Immigration and Nationality Act.

BASE PROGRAM DESCRIPTION: This program provides strategic and tactical intelligence support to Service offices enforcing the provisions of the Immigration and Nationality Act, and assists other Federal agencies in addressing national security issues. The Service's document laboratory is a critical component of the program. Intelligence support contributes to efforts aimed at preventing the entry of illegal aliens, terrorists and narcotics traffickers, and detecting fraudulent documents, alien smuggling, false claims to citizenship and other frauds.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Intelligence program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Cases received for examination of fraudulent documents at the FDL	1,405	1,722	1,800	1,810
Cases completed for examination of fraudulent documents at FDL	1,372	1,595	1,760	1,770
Cases received at EPIC for input (total)....	21,304	23,826	22,200	22,200
Fraudulent documents for microfilming	8,436	10,843	10,000	10,000

Item	1992	1993	Estimate 1994	Estimate 1995
Nails II lookouts received	781	1,237	1,200	1,200
OASIS cases received	12,087	11,746	11,000	11,000
Inputs completed at EPIC (total)	18,410	25,273	21,000	21,000
Fraudulent documents microfilmed	8,908	7,607	7,500	7,500
OASIS cases entered into database	7,707	14,343	10,000	10,000
Nails II records entered into database	1,795	3,323	3,500	3,500
Queries of INS databases at EPIC	5,691	5,023	5,000	5,000
Positive INS responses provided to EPIC queries.....	825	824	800	800
Published intelligence products	101	136	136	139
Persons trained by FDL in detection of fraudulent documents and identification of documented evidence.....	800	1,753	990	990
Cable traffic received for distribution.....	69,942	71,972	76,980	84,120
INS Command Center cases processed (NCIC, VISA, NAILS, Field operations).....	30,355	31,937	34,715	37,837
Intelligence products produced by INS Command Center, (e.g., cables, reports, etc.).....	60,985	63,840	67,420	72,580
Liaison Projects requests (Arrival Assistance, Traces, misc.)	6,109	4,950	5,908	7,118
Coordinate Cases (Permanent Residency, Citizenship and Liaison, etc.).....	185	210	250	299
Forward classified record check hits from OGA's to INS Field Offices.....	201	99	119	142

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	61	64	$5,847	61	64	$5,792	...	...	-$55

Reductions of $55,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

Activity: Citizenship and Benefits

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudication and Naturalization....	...	...	...	...	...	...	189	94	$27,761	189	94	$27,761

This budget activity includes resources for the naturalization of eligible aliens in a timely, efficient and equitable manner.

In 1995, investments are requested in the Salaries and Expenses account for the Adjudication and Naturalization program to undertake education and promotional efforts to increase interest among permanent resident aliens in applying for naturalization. Adding the total cost of this initiative to the Examinations Fee account would result in a prohibitive increase in the fee that would have to be charged to applicants, thereby discouraging permanent resident aliens from actually applying for naturalization.

Base resources for the Adjudication and Naturalization program are contained in the Examinations Fee account budget.

LONG-RANGE GOAL:

The overall goal of Adjudications program operations in the Salaries and Expenses account is to provide for and facilitate the efficient, timely and correct processing and adjudication of naturalization applications.

MAJOR OBJECTIVES:

Streamline the processing of naturalization and citizenship cases.

Encourage aliens to pursue naturalization.

Enhance interest in naturalization, increase citizenship education, and expand community outreach activities.

Manage resources in response to workload so that applicants will receive decisions of consistent quality and timeliness in all geographic jurisdictions of the Immigration and Naturalization Service.

BASE PROGRAM DESCRIPTION: The function of this program is to examine aliens to determine their qualifications for naturalization, issue citizenship documents, provide for the appearances of Service officials before naturalization courts, and conduct administrative naturalization ceremonies.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudication and Naturalization.....	...	...	...	189	94	$27,761	189	94	$27,761

Becoming a naturalized citizen is the ultimate immigration benefit available to most permanent resident aliens in the United States. Yet, large numbers do not apply for naturalization. For example, in a study of naturalization trends of immigrants admitted in 1977, reported in the 1992 Statistical Yearbook of the Immigration and Naturalization Service (October 1993), the overall naturalization rate was 38.7 percent. By nationality, the rate ranged from a high of 62.4 percent to a low of 12.1 percent. The overall low rate is most likely due to a number of factors, including: the language and civics knowledge requirements, lack of information or misinformation regarding the process, and inability to satisfy other requirements. It is also possible that some do not apply due to the length of time that is required to complete the process. The INS recognizes that, working in partnership with other agencies, the Congress, non-governmental organizations and the private sector, much more can be done to inform the public about naturalization, to encourage individuals to apply, to provide educational opportunities for applicants for naturalization, and to improve and streamline the naturalization process.

In some areas of the country there has been an increase in anti-immigrant bias. While this is due to a number of factors, it may be partially the result of the view that resident aliens exist in separate groups within the country and are not full participants in the nation's democratic process. Some of the bias could be alleviated by encouraging immigrants to become naturalized citizens. In addition, the Service must provide assistance to these persons after they make the decision to apply for naturalization. At the same time, the INS must examine and streamline the process to make it simpler, easier and less time consuming for permanent resident aliens to become citizens.

There are potentially 8 million permanent resident aliens who are eligible to naturalize, including over 2.6 million aliens who became permanent residents under the provisions of the Immigration Reform and Control Act of 1986. These individuals must be encouraged to apply and given appropriate assistance in their efforts.

Elements of the Comprehensive Naturalization Initiative

The Service must actively encourage the legalized alien population to pursue naturalization. A comprehensive initiative is proposed which contains several elements needed to improve the naturalization process as well as increase the number of qualified aliens applying for naturalization and eventually being approved. Resources requested for programs in this initiative total 206 positions, 103 workyears, and $30,000,000. Of this amount, 189 positions, 94 workyears, and $27,761,000 are requested in the Adjudications and Naturalization program and 17 positions, 9 workyears, and $2,239,000 are requested in the Information and Records Management program to enhance the availability of information to individuals contacting the Service with questions.

Resources to enhance interest in naturalization, to increase citizenship education, and to expand community outreach activities.

Resources of $15,000,000 are included to allow the Service to undertake a major new effort to inform persons eligible to apply for naturalization, increase public awareness, prepare clients to increase their success in the application process, and review and improve textbooks and teaching materials used to prepare applicants for naturalization. The funding will allow the agency to enter into cooperative agreements with governmental and non-governmental organizations within the immigrant communities for outreach programs and to support citizen education activities for anticipated greater numbers of persons who are eligible for naturalization.

The Service will develop and deliver a nationwide naturalization information and public awareness campaign which will use a variety of approaches, including the use of printed materials and public service announcements for use by the broadcast media. This effort will draw from a number of resources, including the experience gained by the Service in earlier public information campaigns and the efforts used to publicize and increase participation in the legalization program. A promotional campaign for naturalization will be directed at a population with much to gain in terms of status in the community, participation in elections, and access to additional benefits stemming from naturalization.

Resources to Process Applications

This initiative will add 189 positions, 94 workyears, and $10,261,000 for immigration examiners and support personnel in district offices where the naturalization workload is expected to be the greatest -- Los Angeles, New York, San Francisco, and Miami. Increases in application volume are anticipated beginning later in 1994 when Legalization applicants become eligible to naturalize and as individuals apply as a result of the proposed promotion and outreach efforts.

Streamlining and Simplifying the Naturalization Process

The Service will use budget base resources to continue a comprehensive review of the naturalization process to determine what can be done to streamline and simplify it. The goal of this on-going effort is to reduce the length of time required to complete the process while continuing to meet all statutory requirements of the Immigration and Nationality Act. In conjunction with these efforts, the Service will review, revise, and simplify application forms and related instructions. This will result in making these materials more understandable and less intimidating to potential applicants.

The INS will also explore the use of automation for the filing of applications and for fingerprint checks with the Federal Bureau of Investigation. In these cases, the use of automated approaches could have cost saving potential. In addition, the Computer Linked Application Information System (CLAIMS), which is a consolidated computer support system for the Adjudications and Naturalization program, will be enhanced to accommodate the anticipated naturalization workload increases.

Activity: Immigration Support

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	75	75	$8,302	75	75	$8,530	75	75	$8,443	...	...	-$87
Data and Communications....	181	176	52,506	181	176	54,161	180	175	53,520	-1	-1	-641
Information and Records Management	740	759	42,068	740	759	43,633	799	787	52,056	59	28	8,423
Construction and Engineering.....	14	14	8,384	14	14	9,542	13	13	9,398	-1	-1	-144
Legal Proceedings...	436	390	32,157	436	390	33,296	462	402	34,802	26	12	1,506
Total.....	1,446	1,414	143,417	1,446	1,414	149,162	1,529	1,452	158,219	83	38	9,057

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	75	75	$8,302	75	75	$8,530	75	75	$8,443	...	...	-$87

LONG-RANGE GOAL: To establish and maintain an employee development system that meets the needs of managers, officers, and other employees as they progress in their careers, complies with regulatory requirements, and promotes a professional workforce.

MAJOR OBJECTIVES:
Provide basic training for all new officers and advanced and technical training for journeyman officers, and periodically update curricula for the basic and advanced training programs.

Provide a mandatory training program for INS supervisors, managers, management officials and executives, and provide progressive technical and specialized training for professional, technical, and clerical personnel who support agency operations.

BASE PROGRAM DESCRIPTION: The function of the Training program is to provide the staff and the resources necessary to maintain an employee development program that meets the diverse training needs of the INS workforce. Training requirements are identified annually and are revised, as needed, due to new regulations, legislation, or organizational needs. The program is accomplished in a variety of ways: through residential training at the Federal Law Enforcement Training Center (FLETC) at Glynco, Georgia (basic officer training) and at Artesia, New Mexico (journeyman officer training); through programs conducted by other Federal agencies; by private contractors; or in combined presentations using Service and non-Service resources.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Training program are presented in the following table:

Item	1992	1993	Estimate 1994 5/	Estimate 1995
Workload Production/ Training Starts:1/				
Border Patrol Basic.....	672	102	600	240
Immigration Officer Basic	815	815	672	672
Detention Officer Basic...	140	120	120	120
Other than Permanent Basic	47	335	240	48
Completions:2/				
Border Patrol Basic.....	192	467	350	390
Immigration Officer Basic..	545	624	591	591
Detention Officer Basic....	65	164	106	106
Other than Permanent Basic	39	295	211	42
Journeyman Officer Training	542	752	984	984
Advanced Program	603	1,008	720	720
Leadership Program	158	200	1,100	1,100
Information Officers.....	172	120	72	72
Docket Clerks.....	21	48	48	48
In-Service 3/.....	...	5,800	20,000	20,000
Other Training 4/.....	5,126	6,600	7,000	7,000

1/ Resources to support basic training will be provided by the benefiting decision unit.

2/ Reflects current attrition rates.

3/ In-Service figures represent the total of individual training occurrences that will vary from 1-hour training sessions to several days. Fiscal year 1993 figures represent Pursuit Driving Training exported training provided to border patrol agents under the In-Service concept. Fiscal Years 1994 and 1995 estimates are based upon anticipated funding levels.The In-Service concept will not be introduced until 1994, when formal classroom presentations, computer-assisted course material and exportable training packages on a wide variety of subject matter for journeymen and senior officers will become available.

4/ Other training includes training conducted by other offices, with or without Training Division assistance; professional, technical, and clerical training provided through other Government or non-Government sources; and training efforts such as the IMMACT 90 courses provided to more than 2,700 employees in 1992.

5/ These estimates support the program increases in the 1994 appropriation.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	75	75	$8,530	75	75	$8,443	...	...	-$87

Reductions of $87,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and Communications.....	181	176	$52,506	181	176	$54,161	180	175	$53,520	-1	-1	-$641

LONG-RANGE GOAL: To improve and maintain automated and electronic technical support to increase the capability, efficiency and effectiveness of INS's operational, administrative and managerial functions; provide a comprehensive and coherent framework for the acquisition and management of information systems resources pursuant to the Strategic Plan for Information Systems; provide the optimal level of automation support; provide communications to support all of INS's information needs; provide radio and electronics equipment and systems to support INS's law enforcement functions; promote the electronic sharing of information with other Federal agencies to reduce the paperwork burden, to both the public and INS; and provide technological guidance in support of all INS operations.

MAJOR OBJECTIVES:
Implement the Information Architecture concept to design, develop, and improve automated data processing (ADP) systems and databases. Ensure the cost effectiveness of new systems through the use of contemporary techniques for quantifying and justifying ADP systems and databases.

Improve the quality, reliability, interoperability, maintenance, and accessibility of existing information systems.

Install, operate and maintain INS's major mission and management oriented systems throughout the Service.

Improve the efficiency and effectiveness of voice and data communications throughout the Service.

Provide office automation support for word processing, local tracking, analysis, and electronic mail.

Provide a consistent and integrated technology infrastructure to all INS field offices.

Provide automated intrusion detection capabilities at Border Patrol sectors consisting of a variety of sensor and imaging equipment with centralized monitoring at the sector for dispatch and reporting purposes.

Provide an effective equipment maintenance, replacement and upgrade program to ensure effective continuity of operation of data, communications and electronics capabilities.

Improve the capability of INS in detecting and apprehending illegal entrants and drug smugglers into the United States and provide technological guidance in support of all INS operations.

Research, develop, evaluate, and apply surveillance, identification, advanced/satellite communications, security/safety technologies and systems to more effectively support the operating programs in detecting illegal alien and related drug intrusions on the border, as well as the interior of the United States with emphasis on effectiveness, reliability, and efficiency.

Provide scientific and technological coordination and support to the Office of National Drug Control Policy.

Provide liaison with Federal, industrial, and university research and development communities to stimulate, utilize, and integrate technical work relevant to high priority interests of INS.

Base Program Description: The function of this program is to provide direct support to the Service's operational programs as well as administrative support functions in the areas of ADP, radio, and electronics systems. This includes: 1) improving the effectiveness and efficiency of Service functions through the use of computer resources for information processing; 2) providing for the operation of data and communications networks; 3) providing radio communications, telephone call handling, intrusion detection (sensors), and electronic security equipment and systems; and 4) researching problems of the Service to develop new or adopt existing technologies for their potential effectiveness in the Service.

ACCOMPLISHMENTS AND WORKLOAD: The Data and Communications program workload is best expressed in narrative form. Accomplishments include the following:

I. ADP SYSTEMS

1. Systems Planning: An INS Information Architecture study completed in 1991 provides the framework for designing, developing and improving agency information system. A parallel analysis, the Office Automation and Access project, defines the basic platform of equipment, networks, and communication links to support access to, and use of automated systems. In 1992, the Service prepared economic analyses and implementation plans in support of the end user tier of the Information Systems Architecture. In 1993, planning was initiated on the Electronic A-File portion of the Information Architecture, including design and integration with systems such as Computer Linked Application Information Management System (CLAIMS) and Interagency Border Inspection System (IBIS).

INS initiated the Personal Workstation Acquisition Contract (PWAC) to procure equipment/software for the Office Automation/End User Tier Automation Platform, the essential underlying technology base that must be implemented in INS offices to provide access to INS databases. In 1993, work continued on the PWAC contract process with plans to award the contract in 1994.

2. Systems Operations: The Service continues to operate the Central Index System, which now houses records for over 35 million individuals and supports both State and Federal government access to the SAVE program. The Receipt and A-file Accountability and Control System (RAFACS) has now been installed in all but the smallest Files Control Offices and covers 95 percent of the Service's active files.

IBIS, which has been operational since 1989, involves the Department of State, the U.S. Customs Service and INS. At the end of 1993, 52 airports of entry and 64 land border ports of entry were completed at approximately 158 locations utilizing single workstations or full local area network configurations. Airports with access to IBIS now process approximately 95 percent of all commercial airport traffic. During 1994, implementation plans include: installations at 15 air and 45 land ports of entry (75 locations), major upgrades and expansions of the Honolulu International Airport and Atlanta Hartsfield Airport IBIS networks. (Funds for IBIS at air and sea ports-of-entry are budgeted in the Immigration User Fee account; funds for land border ports-of-entry are received from the Salaries and Expenses account.)

The Systematic Alien Verification for Entitlement (SAVE) Program, standardized since October 1985, is now available to all states for alien status verification. During 1993, approximately 3.6 million queries were made on the SAVE system, resulting in the identification of over 35,000 unentitled requests for entitlement by aliens resulting in an estimated cost savings of $115 million to the States. In 1994 a similar level of activity is anticipated in the SAVE program. This program will increase in importance to the States as they continue to deal with growing entitlement costs and shrinking budgets. The SAVE database is also used for the pilot telephone verification System (TVS). TVS provides employment eligibility data to employers.

The Automated Fingerprint Identification System (AFIS) project has successfully demonstrated the capability to positively identify criminal aliens and repeat offenders of immigration law by implementation of a prototype, computer-based fingerprint identification-storage-retrieval system in the Southwestern United States. Since 1991 a contract has been in effect with the Western Identification Network (WIN) to provide access to eight western states' and local law enforcement databases. The Service installed eleven AFIS booking terminal sites and sixteen high-quality fax locations which were networked along the southwestern border replacing two prototype installations.

During 1992, INS designed, acquired, tested and evaluated the Software ADIS Screening System (SASS), the first implementation worldwide to utilize standard, off-the-shelf computers as entry devices into ADIS. In a pilot installation of SASS at the Chula Vista Border Patrol Sector Headquarter, the system provided a rapid, real-time response against an INS Criminal AFIS database for fingerprint records and has provided recidivism data to the Service on repeat offenders. Testing and evaluation of SASS continued in 1993. As part of the strategy to improve control of the Southwest border, INS plans to procure and install additional AFIS booking terminals in 1994 for the San Diego Sector to better detect recidivism patterns among large apprehension volumes. The INS Asylum Offices also plan to procure and install AFIS terminals in 1994 to help identify aliens filing duplicate/multiple asylum applications at different Asylum Offices.

Work has been initiated on the conversion of existing financial systems to the DOJ Financial Management Information System (FMIS), principally on a budget execution module. Currently, the task is estimated to continue through 1995. The replacement of the outdated mini-computer equipment that was utilized for INS's financial and management systems in the Western and Southern Regional Offices was completed in September 1993. It is projected that the replacement of the systems in the Eastern and Northern Regional Offices will be completed in 1994.

The development of an Electronic Alien-File (EAF) continues to be evaluated as a viable alternative to paper records. The Service continues to research the use of electronic data and images as a substitute for paper records used in day-to-day INS operations. EAF allows electronic data and images to be stored, retrieved, and processed on-line by INS users on a nationwide basis. Presently, a task force is working within INS to define the requirements of EAF and to obtain INS agreement on system definition.

INS is developing an automated information system to support INS Servicewide case tracking and statistical reporting for the Border Patrol, Investigations, Detention and Deportation, Intelligence and Legal Proceedings programs (ENFORCE). As one of the major systems consolidated efforts included in the Information Systems Architecture initiative, ENFORCE will provide the primary information system for the Enforcement program functions of (1) investigations (including preliminary investigations and intelligence analysis), (2) automated booking, (3) arrest, (4) detention, (5) legal proceedings, and (6) deportations. The ENFORCE implementation approach will streamline enforcement information processes, automate manual-intensive processes, and develop an information system to provide a Servicewide case tracking and reporting system in order to maximize enforcement resources.

II. DATA COMMUNICATIONS

The Service's data communications network (INSINC) was expanded to support approximately 350 sites allowing for immediate access to INS systems on the Justice Data Center's mainframe computers. INSINC has been expanded to include access to at least two non-INS information sources--the National Law Enforcement and Telecommunications System (NLETS), which provides information from State law enforcement systems; and the FBI's National Crime Information Center (NCIC), which provides interstate criminal justice information on wanted, mission and unidentified persons, stolen vehicles and guns, and other properties and individual criminal histories.

In 1993, the installation of data communication facilities necessary to provide foreign office operations with access to INS centralized systems was completed at four critical INS foreign offices: Bangkok, Mexico City, Rome, and Frankfurt. INS will continue installation at other foreign offices during 1994.

III. ELECTRONICS SUPPORT

In support of the Border Patrol initiative for 1994, a major electronics support acquisition funded by the Border Patrol's technology enhancement is planned. The enhancement includes night vision infrared scopes, radios, low-light-level televisions, and computers to support the additional Border Patrol Agents.

1. Radio Systems: INS has commenced a major initiative to bring all radio systems and equipment into compliance with standards established by the Office of National Drug control Policy. This initiative is supported with Department of Defense (DoD) positions. A study, completed in 1990, produced a plan to provide for servicewide implementation over a five year period. A new system was implemented in El Paso, Texas, in 1992 and work is continuing at other border locations.

In accordance with the Drug Enforcement Master Plan, INS has procured mobile and portable encrypted voice radios using combined DoD and INS funds for equipment and installation services for eight systems in the following locations: McAllen/Harlingen, Tucson/Phoenix, Laredo/San Antonio, Miami, Washington/Baltimore, Chicago, El Paso and Marfa. This effort began in 1990 and is projected to be going on through 1995.

2. Surveillance Systems: Low-light-level television (LLLTV) Systems are being expanded to additional Border Patrol sectors. Night vision infrared scopes for field uses are part of the intrusion detection initiative.

The new Computer Assisted Dispatch and Reporting Enhancement (CADRE) system, providing sensor and dispatch functions, was installed in the McAllen and El Paso Border Patrol Sectors. During 1993, an independent validation and verification was performed by the Naval Electronic Systems Engineering Command. Evaluation of this system proved successful and INS is now planning installations at tow additional sites during 1994.

IV. RESEARCH AND DEVELOPMENT

Initial investigations are being made into automatic biometrics analysis of individuals, specifically facial recognition. It is a complex and relatively new technology that will recognize and identify human faces by comparing a subject's features with a reference image from a database. It is anticipated that this technology once developed can be implemented to monitor human traffic flow at airports, checkpoints, and other ports-of-entry in order to positively identify known illegal and criminal aliens, terrorists, drug traffickers, and other persons of specific interest to the U.S. Government. This development is expected to be followed by further research effort during 1994.

Elector-optics is another field of investigation for Research and Development. In conjunction with the U.S. Army, a test program is underway to use uncooled thermal imaging technology in vehicles to enable Border Patrol Agents to safely pursue illegal entrants at night. This test is expected to be completed in 1994.

Several projects are underway relating to sensor technology. INS is developing manufacturing specifications for a suite of ground sensors. This will be a Government-owned design that will be contracted to the private sector for manufacturing. It is modular, allowing for upgrades and introductions of new technological components as they become available. A major acquisition will be initiated for the new technology. Another sensor project is designed to tie in the ground sensors with a specialized camera, so that when a sensor is triggered, the camera will transmit an image of the event to a central monitoring station. This project is in the prototype development phase which is expected to be completed in 1994. Additional research and testing of the prototype is expected to take place during the next five to six years.

Non-lethal weapons and body armor are other areas of research and investigation. In addition to participating in inter-agency committees relating to these issues, projects such as a non-lethal car-stopper device are currently under development.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and Communications..	181	176	$54,161	180	175	$53,520	-1	-1	-$641

Reductions of 1 position, 1 workyear, and $530,000 are requested to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information & Records Management.....	740	759	$42,068	740	759	$43,633	799	787	$52,056	59	28	$8,423

LONG-RANGE GOALS: To provide complete and accurate information in a timely and professional manner to the Service, other Federal, State and local government agencies, and to the public on immigration procedures, policies, plans, activities, status, benefits and eligibility, including provisions of the Immigration and Nationality Act; conduct and administer Servicewide information services and records programs designed to provide support to INS's operating components and other United States law enforcement agencies, as well as State and local governments seeking information on aliens. To ensure the reliability and integrity of automated and manual data generated by INS information systems (contractor and in-house); ensure efficient records management in the life cycle of records; and apply principles of information engineering and modeling that contribute to cost-saving and efficiency efforts in the area of data integrity. Improve mail and correspondence management practices by increasing efficiency and reducing and/or holding mail costs to a minimum, and continue to initiate and implement standards for uniform and effective correspondence throughout INS. Administer a program of employer education with regard to their responsibilities under the employer sanctions and anti-discrimination provisions of employer sanctions and anti-discrimination provisions of the law.

MAJOR OBJECTIVES:
Ensure Servicewide compliance with the Freedom of Information and Privacy Acts (FOIA/PA).

Ensure Servicewide compliance with the Paperwork Reduction Act of 1980 as amended.

Provide analytical and technical expertise on statistical matters, and statistics upon which to base policy decisions.

Respond to live assistance telephone inquiries from the public through the telephone service centers, telephonic forms requests from the public through forms distribution centers, and written inquiries.

Develop and install advanced automated telephone systems to improve the public's access to immigration information.

Respond to information and status requests from INS operating components, other Federal Government agencies, State and local governments, law enforcement agencies, and the public.

Provide analytical and technical expertise on manual and electronic record collection, capture, storage, maintenance, processing and retrieval.

Work with the Data and Communications Systems program to improve the control, accountability and availability of INS's manual and automated records through improved systems and procedures, and provide training, and technical and operational assistance in the maintenance and use of manual and automated records systems.

Contribute to the development of the most efficient/cost effective use of manual and automated records systems and resources and ensure that INS responsibilities related to automated records systems contribute to the quality and integrity of the system databases.

Provided information to employer's regarding compliance with employer sanctions provisions of the law.

Ensure the accurate, timely, effective and efficient issuance, dissemination and distribution of Service regulations, directives, operating instructions and forms.

Improve INS workload data and productivity measurement systems and ensure timeliness, accuracy, quality and completeness of all INS statistical data.

Develop, analyze, and publish timely, high-quality immigrant and nonimmigrant statistics in annual statistical yearbooks, special bulletins, and reports for policy making at agency and national levels.

Establish and maintain liaison with Federal and State agencies, and national and international organizations involved in the collection and/or analysis of immigration related statistics.

Ensure that the latest technologies are used in maintaining record keeping systems to be responsive to law enforcement officials who detect, arrest, combat fraud, and remove criminal aliens as soon as possible.

Improve the Systematic Alien Verification of Entitlements (SAVE) Program to allow the Service to fully support the needs specified in agreements between the SAVE program and Federal, State and local agencies.

Maintain liaison with agencies using the SAVE program and increase State, local and other Federal agency participation in the program.

BASE PROGRAM DESCRIPTION: The functions of this program are to (1) provide responses to inquiries from the public and private sectors; local, State and Federal agencies; and the various branches of government, by telephone, in-person, and in writing; (2) maintain alien record and files from which data may be readily obtained to respond to requests from both inside and outside the Service; (3) develop guidelines, policies and procedures and responses to FOIA/PA requests; (4) compile, analyze and evaluate statistics for use in preparing regular and special reports about Service operations and work accomplishments; (5) provide for the coordination, development, preparation and review of the Service's regulations, directives, operating instructions and forms, to ensure that these materials are issued and published in accordance with established Federal regulations and laws; and (6) monitor and ensure internal compliance to standards for systems and Service delivery.

ACCOMPLISHMENT AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Information Services				
Inquiries--				
Correspondence:				
On-Hand, BOY.....	7,296	17,872	35,457	23,937

Item	1992	1993	Estimate 1994	Estimate 1995
New Receipts.....	333,730	311,005	336,000	369,600
Completions.....	323,154	293,420	347,520	384,960
On-Hand, EOY.....	17,872	35,457	23,937	8,577
Telephone:				
Immigration Information Telephone System.....	4,811,479	4,408,215	4,660,200	4,848,200
Immigration Telephone (other).....	210,759	192,168	173,000	155,500
INS "800" Telephone System	400,594	485,747	509,700	764,200
In Person:				
Applications Processed...	922,555	993,548	995,000	1,044,000
Records Services--				
Forms Center Operations				
Public Form Requests...	190,508	409,011	432,000	840,000
Completions: Files Created	770,096	654,112	764,000	764,000
Records Verification.....	666,773	505,121	568,000	568,000
Files Transfer & Request from Others/FRC's.....	970,934	989,761	980,000	980,000
Files Connection.....	1,819,916	1,500,301	1,580,000	1,580,000
Refiles.....	2,318,444	2,001,601	2,104,000	2,104,000
Mail Processing.....	7,473,579	5,655,701	6,680,000	6,680,000
FOIA/PA Requests:				
On-Hand BOY.....	7,369	11,435	6,050	4,150
New Requests.....	43,387	41,040	45,140	49,650
Completions.....	39,321	46,425	47,040	47,050
On-Hand, EOY.....	11,435	6,050	4,150	6,700
SAVE Activity:				
Participating State Agencies	125	125	128	133
Queries on SAVE database.	3,357,000	3,623,196	4,200,000	5,500,000
Participating Employers.	...	9	200	500
Employer Inquiries.....	...	2,668	59,000	148,000
Ineligible Aliens Identified.....	...	236	5,000	13,000
Statistics:				
Performance Analysis System Reports Processed 1/	51,700	68,900	70,400	70,700
Inquiries	5,100	5,100	5,100	5,100
Employer's Sanctions:				
Information & Employer Contacts.....	58,557 2/	39,199	128	133

1/ Workload increased as a result of the automation of the PAS.
2/ Reflects work performed by the Employer and Labor Relations program.

By the end of 1993, Immigration Information (II) Telephone Systems at eight field offices were operating with a "customer friendly" simplified ten-message matrix. This revised message system is expected to make the system easier for the public to use and increase call volume as customers are handled more efficiently. In 1993 the call volumes for all II locations was over 8.9 million.

By the end of 1993, the two Telephone Service Centers were supporting 27 field offices. These field offices account for approximately 68 percent of the Service's telephone call volume.

The "INS 800" telephone system, which operates separately from the Immigration Information Telephone System, continued to provide callers nationwide with toll-free access to automated information on special INS programs, services, benefits information and forms requests. This system satisfied approximately 350,000 forms requests in 1993.

In addition to the standard "INS 800" telephone system, a special toll-free TDY/TDD service was implemented in June 1993 to provide information access for hearing impaired callers. This system provided callers with direct access to recorded information as well as automated call forwarding for live information assistance from personnel at one of the Telephone Service Centers. This INS "800" system has handled over 7 million calls since its implementation in 1989.

By the end of 1993, the two forms centers had transcribed and responded to 900,000 requests. A total of over 4,500,000 forms were distributed to the public. These centers have shifted a substantial amount of unnecessary walk-in traffic away from the field offices to the two centers.

The Alien Files Accountability and Control System (AFACS) has been installed at 50 sites. By the end of 1993, the population of alien files under control of AFACS was expanded to approximately 95 percent of all active alien files. The functionality of AFACS has been enhanced to include tracking and processing of receipt files through the Receipt Alien File Accountability and Control System (RAFACS). This system was developed to improve the availability and accountability of the Alien Files and Receipt Files in INS Files Control Offices.

The automated telephonic inquiry enhancement to the RAFACS, the Telephone Inquiry Enhancement Reporting System was installed at the four Service Centers. This system enables callers to obtain information on case status as well as request additional applications.

A text information management system was developed in 1993. The Immigration and Naturalization Service Easy Research and Transmittal System (INSERTS) contains up-to-date information on Service Law Books, the INS Administrative Manual (policies, directives, regulations, Statutes, instructions), public use reports (forms), General Counsel opinions and operations manuals. In 1994, it is targeted to be deployed at field offices and Headquarters.

Customer Management Information Systems (CMIS) were installed at six additional INS field offices in 1993. This brought the total to 34 offices. The system allows the Service to schedule appointments with clients which reduces their waiting time, improves client services, and generally improves office operations. CMIS was

installed at the Headquarters Information Operations Unit and the Eastern Telephone Service Center to provide a call-specific tracking and coding capability for telephonic inquiries.

The Responsible Party Filing System (RPFS) implemented in 1992 is an enhanced use of existing AFACS/RAFACS technology at the field offices. A prototype test was implemented at the Philadelphia District Office. Evaluation of the new system during the test revealed increased productivity over the Terminal Digit Filing System currently in use at most INS field offices. The RPFS is now in use at 22 field offices.

The Telephone Verification System (TVS) pilot project (Phase I) began in April 1992 and was successfully completed in March 1993 with nine employers voluntarily participating in verifying the status of newly hired alien employees. A second phase of the pilot, which would expand access to 200 additional employers, is currently under consideration. The impact regarding compliance with the Employment Eligibility Form (I-9) procedures would be evaluated during Phase II as well. The long range goal of the TVS project is to have employers pay for subscription to the service. Authority to conduct pilot employment verification projects, conferred by Executive Order 12781 of November 20, 1991, ends on March 29, 1995. Action has been initiated requesting a two year extension of the TVS pilot project.

Expansion of the SAVE program continued in 1993. In Arizona local public agencies providing health care benefits in fifteen counties signed memoranda of understanding with the Service to participate in the program.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information & Records Management.....	740	759	$43,633	799	787	$52,056	59	28	$8,423

Total program increases of 63 positions, 32 workyears, and $8,839,000 are requested for the Information and Records Management program in 1995. These increases are associated with the expansion of the Service's employer sanctions and naturalization activities.

A key component of the Service's priority to Strengthen Control of Our Borders is to reduce the pressure of illegal entry through an expanded and improved Employer Sanctions program. Total INS program investments of $32.7 million are requested to implement improved Employer Sanctions strategies directed toward reducing both the marketability of fraudulent documents and employment opportunities for unauthorized workers. Of this amount, an investment of 46 positions, 23 workyears, and $6,600,000 is requested for the Information and Records Management program to expand efforts to respond to employer questions concerning the verification of documents and to inform them of their responsibilities with regard to employment laws.

Of the requested increase, 20 positions, 10 workyears, and $3,000,000 is associated with an expansion of INS's capability to respond to employers who have questions concerning the verification of documents. Employers have an obligation to verify that an individual applying for employment is not an unauthorized alien and, by law, must examine documents (i.e. passports, certificates of citizenship, resident alien cards) to determine if such documents appear to be genuine. Currently, employers do not have access to INS's information systems to determine authenticity of these documents. The additional resources will be used to expand the Service's

Telephone Verification System (TVS) pilot from nine employers to over 500 employers and provide additional personnel to assist employers with the secondary verification of alien documents. With this expansion, it is estimated that 13,000 unauthorized aliens will be stopped from gaining employment.

If employers are to be held liable for the violation of employment laws, its is incumbent upon the Service to ensure that they have been given a fair chance to become informed about their responsibilities under the law. Resources of 26 positions, 13 workyears, and $3,600,000 are included in the request for this program to allow the Service to develop reference and education materials. Employers will be made aware of these materials through the Internal Revenue Service and other agency mailings to the Nation's employers as well as public libraries and post offices. In addition, INS will conduct training and awareness workshops covering those industries that have historically engaged in the employment of illegal aliens. This will include the development of an "800" hotline number which will assist employers with compliance. Also, INS will initiate an outreach effort to employers both directly and through state agencies, business associations, chambers of commerce, etc. The states with the largest immigration populations, California, New York, Texas, Florida, and Illinois, will be targeted.

Total resources requested for Service programs for the Naturalization Initiative are 206 positions, 103 workyears, and $30,000,000. Of these amounts, 17 positions, 9 workyears, and $2,239,000 are requested for the Information and Records Management program. The Service must actively encourage the legalized alien population to pursue naturalization. A comprehensive initiative is proposed which contains several elements needed to improve the naturalization process as well as increase the number of qualified aliens applying for naturalization and eventually being approved.

Of this amount, $1,700,000 will be used to establish an "800" telephone service to provide information on naturalization requirements. Information will be provided on naturalization eligibility, documentation requirements, forms and how to obtain them, the status of applications, and other questions about the application process. Live telephone assistance will be available for callers with complex questions and for non-English speaking callers.

In addition, $539,000 will also be used to add Immigration Information Officers in the four largest district offices to cover the anticipated increase in clients seeking naturalization information "in person" at these offices.

Reductions of 4 positions, 4 workyears, and $416,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering.....	14	14	$8,384	14	14	$9,542	13	13	$9,398	-1	-1	-$144

LONG RANGE GOAL: To provide adequate facilities for all INS operating units so that they can fulfill their requirements to administer the Immigration and Nationality Act.

MAJOR OBJECTIVES:
Construct, alter and maintain effective, safe, energy conserving, and attractive facilities.

Prepare an annual work space management plan and related rent and obligation estimates for submission to the General Services Administration and the Office of Management and Budget.

BASE PROGRAM DESCRIPTION: The functions of this program include the acquisition, design, construction, alteration, repair, maintenance, and management of all buildings, structures, and facilities for which the Service is the owning or leasing agency. Space is acquired through the General Services Administration (GSA), by lease, by INS construction and through assignment by airport authorities. New inspection facilities are coordinated as necessary with U.S. Customs Service, Public Health Service, Department of Agriculture, GSA, State, county, local and foreign authorities.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Construction and Engineering program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Major New Construction Projects.....	20	23	22	22
Verify GSA billings.....	460	460	460	475
Building Evaluations.....	18	18	18	25
Design Support Projects..	34	31	31	32
SF-81/144 (Request for Space) sent to DOJ for processing (Servicewide)1/	60	50	50	68

1/ These workload statistics reflect the number of actions processed. The documents included in this item are initiated for increases in space, decreases in space, relocation of offices, revisions to existing space, consolidation of operations, and GSA-mandated moves.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering.....	14	14	$9,542	13	13	$9,398	-1	-1	-$144

Reductions of 1 position, 1 workyear, and $144,000 are proposed to absorb locality pay increases for one quarter of fiscal year and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings...	436	390	$32,157	436	390	$33,296	462	402	$34,802	26	12	$1,506

LONG-RANGE GOAL: To provide legal representation for the U.S. Government in all cases and matters arising before Immigration Judges, the Board of Immigration Appeals, Administrative Law Judges, and the Office of the Chief Administrative Hearing Officer; to represent INS in all other contested administrative hearings in which the agency is involved; to provide legal advice and support to INS operating personnel; to represent INS in cases tried in federal courts; and to consult, train, and provide legal support for interagency efforts in combating the threat posed by alien criminals.

MAJOR OBJECTIVES: To represent the Service before administrative bodies and federal courts in deportation, exclusion, rescission, and bond issues, as well as in employer sanctions and civil document fraud matters.

To provide litigation and consultation support to interagency task force operations to effect the expeditious deportation of criminal aliens.

To provide litigation assistance in Federal and local drug and organized crime task forces.

To provide litigation support in developing removal strategies for criminal aliens to effect their expeditious exclusion and/or deportation from the United States.

To provide training for attorneys and enforcement personnel in immigration law and procedure.

To furnish legal counsel and training in immigration law for enforcement officers of state, local, and other Federal agencies for identification and expeditious processing of alien drug traffickers and criminals.

BASE PROGRAM DESCRIPTION: INS attorneys represent the Service before Immigration Judges, the Board of Immigration Appeals, the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and boards of contract appeals. The Legal Proceedings program provides litigation support in agency litigation conducted in U.S. District Courts, Courts of Appeals, and the Supreme Court. Attorneys provide advice to the

Commissioner, Regional Administrators, District Directors, and Border Patrol Sector Chiefs on legal matters arising at all levels of agency operations. The attorneys also assist interagency task forces in developing cases and removal strategies for criminal aliens.

ACCOMPLISHMENTS AND WORKLOAD:

Item	1992	1993	Estimate 1994	Estimate 1995
Non-Sanctions Workload:				
Trial Attorney Appearances	180,128	138,231	138,300	138,500
Cases Prepared.....	195,417	209,648	209,700	210,000
Preparation of Legal Briefs and Memoranda.....	24,542	29,274	29,300	29,500
Legal Consultations.....	113,726	123,491	123,500	123,700
Sanctions Workload:				
Notices of Intent to Fine:				
Received.....	2,584	1,967	2,200	2,860
Completed.....	2,400	1,950	2,000	2,600
Consultations and Legal Advice Completed.....	19,604	17,160	17,200	22,360
Legal Opinions and Memoranda	5,414	5,018	5,020	6,530
Training Completed.....	384	592	600	780
Administrative Law Judge (ALJ) Cases:				
Received.....	455	348	420	550
Completed.....	401	373	380	495
ALJ Appearances Completed...	195	191	200	260
Other ALJ Matters Completed	2,468	2,010	2,020	2,630
Civil Document Fraud:				
Notices of Intent to Fine:				
Received.....		139	140	180
Completed.....	...	108	110	145
Consultations and Legal Advice Completed.....	...	884	900	1,200
Legal Opinions and Memoranda	...	181	200	260
Training Completed.....	...	148	150	195
ALJ Cases:				
Received.....	...	38	40	50
Completed.....	...	19	30	40
ALJ Appearances Completed...	...	4	5	7
Other ALJ Matters Completed.	...	42	50	65

Other accomplishments include the following:

Employer Sanctions Program: Success of the mock hearing program continues to ensure the high quality of the cases being litigated. As a result, INS has received favorable decisions in the vast majority of employer

sanctions cases tried to date before Administrative Law Judges. The careful handling of these cases at the administrative hearing level and the resulting favorable decisions have been crucial to the development of employer sanctions law.

Maintenance of the Index of Case Decisions on Employer Sanctions and the Digest of Case Decisions on Employer Sanctions. These reference tools continue to be effective timesavers in researching particular points of law in sanctions cases. In addition, all employer sanctions regulations issued to date have been compiled and distributed to the field as a part of the Employer Sanctions Legal Reference Series.

Continuation of the Employer Sanctions Legal Advisory Committee (ESLAC). Created during the early stages of employer sanctions, the committee continues to be a valuable tool in resolving complex legal issues as well as providing field offices with input on major employer sanctions legal matters. Agendas and minutes of all ESLAC meetings continue to be compiled and distributed to the field as a part of the employer sanctions legal reference series.

Provide training at the Federal Law Enforcement Training Center (FLETC). Experienced sanctions attorneys conduct training in employer sanctions for Special Agents, Inspectors, and Border Patrol Agents at the FLETC facilities in Glynco, Georgia and Artesia, New Mexico.

General Law Program: This program issues formal legal opinions and provides legal assistance to all Service attorneys and program managers on such immigration issues as immigrant and nonimmigrant visas, petitions, legalization, naturalization, the Visa Waiver Pilot Program, carrier consultation, custody of unaccompanied alien minors, the immigration consequences of NAFTA, Temporary Protected Status, and others. This program also reviews legislative proposals, drafts bill reports, and drafts and revises regulations.

Refugee and Asylum Law Program: The services performed by the Refugee and Asylum Law Program include:

Direction and supervision of the Asylum Pre-Screening (APSO) program. This program provides humanitarian parole from detention for persons who are in exclusion or deportation proceedings but who appear to be genuine asylum seekers, while simultaneously freeing scarce detention space for cases in which detention is more appropriate. The success of this program has led to its use as a model for certain features of various asylum reform bills now pending before the Congress.

Provision of formal legal opinions or other legal advice to Service components on issues arising in connection with the Service's asylum and refugee programs.

Drafting and review of regulations, legislative proposals, and management initiatives concerning asylum and refugee processing.

Participation in the training of Asylum Officers and Refugee Officers.

Civil Litigation Program: A major function of the civil litigation program is to oversee and coordinate litigation. While the Office of Immigration Litigation (OIL) is responsible for civil litigation arising under the Immigration and Nationality Act, the program devotes significant resources to assisting OIL in litigating and in coordinating and monitoring Service efforts in defending these lawsuits. The program conducts discovery, drafts declarations to support litigation, prepares Service personnel for and attends depositions, reviews

answers and motions before they are filed in court, participates in settlement negotiations, and monitors compliance with those agreements. Additionally, the program drafts regulations, issues legal opinions, and provides legal advice related to pending litigation. The Office of Appellate Counsel within the program represents the Service before the Board of Immigration Appeals (BIA). The Appellate Counsel represents the Service at oral arguments and reviews all Service appeals and BIA decisions. The program conducts training conferences for new Service attorneys and Service attorneys designated as Special Assistant U.S. Attorneys.

Criminal Law Program: The Legal Proceedings program continues to emphasize litigation strategies and removal of criminal aliens. Particular emphasis is given to cases involving aliens convicted of aggravated felonies and aliens involved in terrorist activities. Expedited exclusion and deportation of these aliens requires more intensive legal review because of the complexity and number of potential exclusion and deportation charges.

INS attorneys are stationed in all district offices to coordinate and help assure the effectiveness of the criminal alien program. An essential element in that effort is the Institutional Hearing Program (IHP). In coordination with the Investigations and Detention and Deportation programs and the Executive Office for Immigration Review, as well as Federal and state correctional authorities, the Service currently has 84 IHP's in operation in six Federal, two county, and 76 state correctional facilities. A seventh Federal facility will come on line in Eloy, Arizona in May 1994. Convicted criminal aliens receive their immigration hearings while incarcerated for the criminal violation, thereby permitting their immediate removal upon release.

The Legal Proceedings program supports litigation in Federal courts relating to criminal aliens. This includes assistance to U.S. Attorneys in prosecutions relating to criminal immigration violations and litigation support in responding to petitions filed by incarcerated aliens. INS attorneys continue to encourage criminal prosecutors to make "stipulated deportation" a part of criminal plea agreements.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings.....	436	390	$33,296	462	402	$34,802	26	12	$1,506

A key component of the Service's priority to Strengthen Control of Our Borders is to reduce the pressure of illegal entry through an expanded and improved Employer Sanctions program. Total INS program investments of $32.7 million are requested to implement improved Employer Sanctions strategies directed toward reducing both the marketability of fraudulent documents and employment opportunities for unauthorized workers. Of this amount, an investment of 29 positions, 15 workyears, and $1,865,000 for the Legal Proceedings program is included to handle the increase in employer sanctions litigation that will be generated by the enhancement to the Investigations program. The increase in Investigations staffing will also result in increased litigation in civil document fraud cases.

Virtually all of the requested legal staff will be assigned to district offices. The attorneys will closely review the cases initiated by the operation divisions to ensure their legal sufficiency prior to the issuance of Notices of Intent to Fine (NIFs). It is estimated that at least 30 percent of the cases will result in the filing of complaints with the Office of the Chief Administrative Hearing Officer (OCAHO). At that point, the attorneys will engage in pre-trial discovery, such as taking depositions and filing interrogatories and appropriate motions. The attorneys will then prepare for trial, litigate the cases before administrative law

judges, and handle the appeals to OCAHO. For those cases that do not proceed to hearing, the attorneys will engage in settlement negotiations.

Reductions of 3 positions, 3 workyears, and $359,000 are proposed to absorb locality pay increases for one quarter of fiscal year and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

Activity: Program Direction

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration....	867	881	$91,367	993	944	$101,145	986	937	$100,419	-7	-7	-$726

This activity provides for the overall administration and management of the Service.

LONG-RANGE GOAL: To formulate and coordinate meaningful and consistent management policies and direction throughout all levels of the Service; to provide management direction to field units that implement major policy and management decisions for more than one program; and to provide the full range of administrative support services to all programs on a timely basis in compliance with laws, policies, and external and internal requirements.

MAJOR OBJECTIVES: Provide for continuity, and control of the overall management and administration of INS.

Direct implementation of Servicewide policy and ensure its effective and uniform application.

Provide management direction to field units on implementation of INS policy and initiatives.

Improve agency responsiveness through continued enhancement of management systems including:

- o Maintaining and refining delegations of authority and requirements for accountability for National policy direction, regional implementation, and district and sector execution, including appropriate control of resources;
- o Continuing to emphasize and institutionalize INS's system of goals and objectives with further integration between mission and priority planning and system of resource allocation and control; and continuing rapid development of information systems to meet the needs of management and immigration policy formulation.

Provide program direction for the personnel, equal opportunity, budget, accounting, property management, and support services.

Provide vehicle support services.

Provide for the full range of security, safety and health support activities.

BASE PROGRAM DESCRIPTION: The functions of this program are: (1) To provide management direction and support for the implementation and operation of regional and field activities and functions to those managers and supervisors who are responsible for and exercise authority over multiple programs; (2) To execute the provisions of the Immigration and Nationality Act and related policies through the development and implementation of immigration programs and the management of resources; and (3) To provide for the development, implementation, direction, operation and evaluation of administrative support systems and services that meet internal operational and managerial needs and externally mandated requirements. Included in this program are duties related to providing executive direction and control of the Service; furnishing accurate and prompt responses to Congressional and public inquiries; administering and maintaining effective budgeting and financial management systems, performing audits, conducting internal investigations, providing informational responses to frequent inquiries of GAO, OIG, OMB and Departmental offices, and developing and evaluating policies and systems to improve the effectiveness of Service programs. The major administrative functions within the program include: personnel, budget, accounting, equal employment opportunity, procurement, property management, fleet management, security and health, and other miscellaneous general services that support all programs.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Management and Administration program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Personnel:				
Personnel Actions.....	61,149	90,000	90,000	93,700
Number of Persons Hired..	1,800	2,000	2,000	3,246
Position Classification Requests.....	1,954	3,076	4,016	5,962
Position Review Request..	10,767	14,874	14,874	16,374
Formal Grievances.....	290	296	296	296
Adverse and Disciplinary Actions.....	850	810	810	850
Unfair Labor Practice Charge	275	270	270	280
Finance 1/:				
Collection Invoices/Bills Generated.....	24,700	45,000	45,500	46,000
Vouchers Paid.....	193,000	264,000	267,000	270,000
Accounting Transactions..	976,000	986,000	996,000	1,003,000
Equal Employment Opportunity Office:				
EEO Evaluation and Assist Regional Offices, Districts, Sectors and Service Centers on-site evaluations....	517	1,320	1,320	2,600

Item	1992	1993	Estimate 1994	Estimate 1995
Training-Supervisors, Employees and Collateral Duty employees.....	457	2,000	2,000	4,000
Number of Complaints filed	501	645	645	1,290
Research and Data Collection	4,800	5,200	5,200	10,400
Property Management 1/:				
Property Action Documents.	585,000	597,000	597,000	4/895,000
Non-Expendable Property (Volume of Property in Inventory).....	238,000	243,000	243,000	267,000
Small Purchase Actions (under $2,500).....	1,000	1,200	1,300	1,500
Contracting and Procurement 1/, 2/:				
Initial Contract Actions (Over $25,000).....	35	48	48	49
Modifications to Contracts	112	96	96	98
GSA Delivery Orders (Over $25,000).....	104	86	86	88
Modifications, Orders Mod to Delivery Orders..	743	811	811	827
Small Purchases Actions...	41,052	44,860	44,860	45,757
Interagency Agreements.....	94	318	318	324
Safety and Health Inspections	350	400	400	400
Safety and Health Training...	6	6	6	6
Security 1/:				
Security Clearances Processed.	900	1,200	1,200	2,000
Security Program Reviews (by site).....	17	42	60	75
Contract Security Cases Processed.....	3,065	3,200	3,200	3,200
COMSEC Account Audits....	10	12	20	20
Employee Re-Investigations	1,660	1,800	1,800	1,800
Contractor Reinvestigations Processed.....	...	...	420	420
Personnel Security/Suitability Cases Processed.....	3,100	3,200	3,200	4,500
Security Briefings/Training	45	75	100	150
Facility Security Plans Reviewed.....	5	36	45	70

Item	1992	1993	Estimate 1994	Estimate 1995
Congressional Affairs:				
Telephone replies.....	28,000	28,000	34,000	34,000
Written replies.....	5,300	5,300	6,400	6,400
Internal Audit: 2/				
Program Reviews.....	...	3	7	9

1/ These statistics are for the total workload in all accounts. The nature of the workload being measured does not allow for breakdown by account. This decision unit supports all programs Servicewide and a single action will often include the S&E, Examinations Fee, and Inspections User Fee activities.

2/ In 1992, the Office of the Inspector General forwarded 1,232 cases of alleged employee misconduct; 494 of these cases were forwarded for inquiry, investigation, or management oversight. It is anticipated that the number of such cases will continue to increase.

Responsibilities of the Office of Finance have increased significantly during the past several years. In addition to the appropriated account, five reimbursable accounts have been added to the Service. The Office of Finance managed resources totalling over $1.5 billion for fiscal year 1993. In 1993, the Office of Finance conducted monthly financial reviews, as well as detailed quarterly fiscal reviews that involved the Executive Staff, regions and program managers input in resolving problem areas. The Office of Finance, Debt Collection and Cash Management Branch has collected $6 million over the $8 million ceiling established in the Breached Bond/Detention Account for fiscal year 1993. During the third and fourth quarters of fiscal year 1993, more than 200 users Servicewide were trained in the use of the Distributed Budget Module (DBM). The system was implemented in all of the regional offices, district offices, service centers and asylum offices. Full implementation of the DBM system was achieved in June, 1993.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration.....	993	944	$101,145	986	937	$100,419	-7	-7	-$726

Reductions of 7 positions, 7 workyears, and $726,000 are proposed to absorb locality pay increases for one quarter of fiscal year 1995 and to achieve savings in administrative expenses. These reductions are discussed in the Justification of Multi-Activity Program Changes.

Immigration and Naturalization Service
Salaries and expenses

Financial Analysis – Program Changes
(Dollars in thousands)

Item	PROGRAM INVESTMENTS										Subtotal, Program Investments	
	Naturalization Initiative				Employer Sanctions Initiative							
	Adjud. & Natz.		Info. & Records		Investigations		Info. & Records		Legal Proceedings			
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS-15	...	...	...	...	...	...	1	$68	...	...	1	$68
GS-14	...	...	...	...	...	...	...	...	20	$1,151	20	1,151
GS-13	13	$633	...	...	...	...	3	146	...	...	16	779
GS-12	88	3,603	...	...	24	$983	24	983	...	...	136	5,569
GS-9	...	...	...	...	47	1,327	18	508	...	...	65	1,835
GS-7	...	...	12	$277	180	4,154	...	...	5	115	197	4,546
GS-5	88	1,749	...	...	...	...	...	...	...	...	88	1,749
GS-4	...	...	5	89	43	716	...	...	4	67	52	872
Total positions and annual rate	189	5,985	17	366	294	7,180	46	1,705	29	1,333	575	16,569
Lapse (+/-)	-95	-2,889	-8	-177	-146	-3,507	-23	-833	-14	-651	-286	-8,057
Other than permanent	...	...	...	...	...	...	...	...	...	...	...	...
Other Personnel Compensation	...	...	...	...	18	827	2	110	...	...	20	937
Total workyears and personnel Compensation	94	3,096	9	189	166	4,500	25	982	15	682	309	9,449
Personnel benefits		960		58		1,139		271		211		2,639
Travel and transportation of persons		253		30		464		41		37		825
Transportation of things		...		...		...		...		...		...
GSA Rent		842		75		1,309		205		129		2,560
Other Rent		...		...		...		...		...		...
Comm., utilities, and misc charges		62		1,505		97		15		10		1,689
Printing and Reproduction		19		2		...		77		...		98
Other services		5,411		81		2,053		4,262		93		11,900
Supplies and materials		322		28		500		80		49		979
Equipment		1,796		271		14,129		667		654		17,517
Grants		15,000		...		...		...		...		15,000
Total program workyears and obligations changes requested, 1995	94	27,761	9	2,239	166	24,191	25	6,600	15	1,865	309	62,656

Immigration and Naturalization Service
Salaries and expenses

Financial Analysis – Program Changes
(Dollars in thousands)

Item	ADMINISTRATIVE SAVINGS											
	Inspections		Border Patrol		Investigations		Detent. & Deport.		Intelligence		Training	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS–15	...	...	...	...	...	...	...	...	...	...	...	...
GS–14	...	...	...	...	...	...	...	...	...	...	...	...
GS–13	...	...	...	...	...	...	...	...	...	...	...	...
GS–12	...	...	...	...	...	...	...	...	...	...	...	...
GS–9	...	...	...	...	...	...	...	...	...	...	...	...
GS–7	...	...	...	...	...	...	...	...	...	...	...	...
GS–5	...	...	...	...	...	...	...	...	...	...	...	...
GS–4	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...	...	...
Lapse (+/–)	...	...	...	...	...	...	...	...	...	...	...	...
Other than permanent	...	...	...	...	...	...	...	...	...	...	...	...
Other Personnel Compensation	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel Compensation	...	...	...	...	...	...	...	...	...	...	...	...
Personnel benefits		...		...		...		...		...		...
Travel and transportation of persons		–$13		–$48		–$29		–$85		–$1		–$4
Transportation of things		–11		–20		–3		–1		...		–3
GSA Rent		–207		–274		–221		–147		–4		–3
Other Rent		...		–93		–5		–4		...		...
Comm., utilities, and misc charges		–55		–145		–77		–62		–24		–2
Printing and Reproduction		–7		–5		–2		–1		...		...
Other services		–85		–315		–107		–241		–1		–36
Supplies and materials		–25		–293		–51		–24		–1		–1
Equipment		...		...		...		...		...		...
Grants		...		...		...		...		...		...
Total program workyears and obligations changes requested, 1995	...	–403	...	–1,193	...	–495	...	–565	...	–31	...	–51

Immigration and Naturalization Service
Salaries and expenses

Financial Analysis – Program Changes
(Dollars in thousands)

Item	ADMINISTRATIVE SAVINGS										Subtotal, Administrative Savings	
	Data & Comm.		Info. & Records		Construct. & Eng.		Legal Proceedings		Mgmt. & Admin.			
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS–15	...	...	...	...	...	...	...	...	...	...	...	...
GS–14	...	...	...	...	...	...	...	...	...	...	...	...
GS–13	...	...	...	...	...	...	...	...	...	...	...	...
GS–12	...	...	...	...	...	...	...	...	...	...	...	...
GS–9	...	...	...	...	...	...	...	...	...	...	...	...
GS–7	...	...	...	...	...	...	...	...	...	...	...	...
GS–5	...	...	...	...	...	...	...	...	...	...	...	...
GS–4	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...	...	...
Lapse (+/–)	...	...	...	...	...	...	...	...	...	...	...	...
Other than permanent	...	...	...	...	...	...	...	...	...	...	...	...
Other Personnel Compensation	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel Compensation	...	...	...	...	...	...	...	...	...	...	...	...
Personnel benefits		...		...		...		...		...		...
Travel and transportation of persons		–$18		–$4		–$1		–$15		–$21		–$239
Transportation of things		...		...		...		–2		–4		–44
GSA Rent		–12		–131		–43		–53		–102		–1,197
Other Rent		–4		...		...		...		...		–106
Comm., utilities, and misc charges		–49		–24		–1		–19		–44		–502
Printing and Reproduction		–1		–4		...		–1		–3		–24
Other services		–417		–41		–72		–25		–117		–1,459
Supplies and materials		–39		–8		–13		–7		–12		–474
Equipment		...		...		...		...		...		...
Grants		...		...		...		...		...		...
Total program workyears and obligations changes requested, 1995	...	–540	...	–212	...	–130	...	–122	...	–303	...	–4,045

Immigration and Naturalization Service
Salaries and expenses

Financial Analysis – Program Changes
(Dollars in thousands)

Item	LOCALITY PAY ABSORPTION											
	Inspections		Border Patrol		Investigations		Detent & Deport		Intelligence		Training	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS-15	...	...	...	...	...	...	...	...	...	...	...	...
GS-14	...	...	...	...	...	...	...	...	...	...	...	...
GS-13	...	...	...	...	...	...	...	...	...	...	...	...
GS-12	...	...	...	...	...	...	...	...	...	...	...	...
GS-9	...	...	...	...	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...	...	...	...	...
GS-5	...	...	...	...	...	...	...	...	...	...	...	...
GS-4	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	-7	-$179	-11	-$402	-7	-$320	-3	-$102	...	-$15	...	-$20
Lapse (+/-)	...	...	...	...	...	...	...	...	...	...	...	...
Other than permanent	...	-40	...	-5	...	-3	...	-6	...	...	...	-2
Other Personnel Compensation	-2	-68	-3	-144	-2	-74	...	-14	...	-2	...	-3
Total workyears and personnel Compensation	-9	-307	-14	-551	-9	-397	-3	-124	...	-17	...	-25
Personnel benefits		-137		-247		-179		-56		-7		-11
Travel and transportation of persons		...		...		...		...		...		...
Transportation of things		...		...		...		...		...		...
GSA Rent		...		...		...		...		...		...
Other Rent		...		...		...		...		...		...
Comm., utilities, and misc charges		...		...		...		...		...		...
Printing and Reproduction		...		...		...		...		...		...
Other services		...		...		...		...		...		...
Supplies and materials		...		...		...		...		...		...
Equipment		...		...		...		...		...		...
Grants		...		...		...		...		...		...
Total program workyears and obligations changes requested, 1995	...	-444	...	-798	...	-576	...	-180	...	-24	...	-36

Immigration and Naturalization Service
Salaries and expenses

Financial Analysis – Program Changes
(Dollars in thousands)

Item	LOCALITY PAY ABSORPTION										Subtotal, Locality Pay Absorption		TOTAL, PROGRAM CHANGES	
	Data & Comm		Info & Records		Const & Eng		Legal Proceedings		Mgmt & Admin					
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades														
GS-15	...	...	...	...	...	...	...	...	...	...	...	...	1	$68
GS-14	...	...	...	...	...	...	...	...	...	...	...	...	20	1,151
GS-13	...	...	...	...	...	...	...	...	...	...	...	...	16	779
GS-12	...	...	...	...	...	...	...	...	...	...	...	...	136	5,569
GS-9	...	...	...	...	...	...	...	...	...	...	...	...	65	1,835
GS-7	...	...	...	...	...	...	...	...	...	...	...	...	197	4,546
GS-5	...	...	...	...	...	...	...	...	...	...	...	...	88	1,749
GS-4	...	...	...	...	...	...	...	...	...	...	...	...	52	672
Total positions and annual rate	-1	-$68	-4	-$130	-1	-$9	-3	-$152	-7	-$255	-44	-$1,652	531	14,917
Lapse (+/-)	...	...	...	...	...	...	...	...	...	...	...	...	-286	-8,057
Other than permanent	...	-1	...	-5	...	-1	...	-11	...	-20	...	-96	...	-96
Other Personnel Compensation	...	-1	...	-6	...	...	...	...	...	-17	-7	-349	13	588
Total workyears and personnel Compensation	-1	-70	-4	-141	-1	-10	-3	-163	-7	-292	-51	-2,097	258	7,352
Personnel benefits		-31		-63		-4		-74		-131		-940		1,699
Travel and transportation of persons		...		...		...		...		...		...		586
Transportation of things		...		...		...		...		...		...		-44
GSA Rent		...		...		...		...		...		...		1,363
Other Rent		...		...		...		...		...		...		-106
Comm., utilities, and misc charges		...		...		...		...		...		...		1,187
Printing and Reproduction		...		...		...		...		...		...		74
Other services		...		...		...		...		...		...		10,441
Supplies and materials		...		...		...		...		...		...		505
Equipment		...		...		...		...		...		...		17,517
Grants		...		...		...		...		...		...		15,000
Total program workyears and obligations changes requested, 1995	-1	-101	-4	-204	-1	-14	-3	-237	-7	-423	-51	-3,037	258	55,574

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Immigration and Naturalization Service

Salaries and expenses

Justification of Multi-Activity Program Changes
(Dollars in thousands)

Item: Program Decreases

Program	Locality Pay Reduction Pos.	WY	Amount	Administrative Savings Pos.	WY	Amount	Total Pos.	WY	Amount
Inspections	-7	-7	-$444	...	...	-$403	-7	-7	-$847
Border Patrol	-11	-11	-798	...	...	-1,193	-11	-11	-1,991
Investigations	-7	-7	-576	...	...	-495	-7	-7	-1,071
Detention and Deportation	-3	-3	-180	...	...	-565	-3	-3	-745
Intelligence	...	...	-24	...	...	-31	...	...	-55
Training	...	...	-36	...	...	-51	...	...	-87
Data and Communications Systems	-1	-1	-101	...	...	-540	-1	-1	-641
Information and Records Management	-4	-4	-204	...	...	-212	-4	-4	-416
Construction and Engineering	-1	-1	-14	...	...	-130	-1	-1	-144
Legal Proceedings	-3	-3	-237	...	...	-122	-3	-3	-359
Management and Administration	-7	-7	-423	...	...	-303	-7	-7	-726
Total	-44	-44	-3,037	...	...	-4,045	-44	-44	-7,082

Locality Pay Reduction

The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities between Federal and local employees by geographic location. For 1994, locality costs for three-quarters of the year were absorbed in the general expense areas of the INS budget through reductions in conferences, travel, supplies, training, and other general expense items. This was a permanent base reduction. For 1995, one-quarter year costs totalling $3,037,000 will be absorbed by eliminating 44 positions, 44 workyears and the corresponding funding for these positions. The impact of these reductions on the Border Patrol, Investigations, Detention and Deportation, Data and Communications Systems, Information and Records Management, and Legal Proceedings programs is mitigated by program investments included in the Administration's 1995 immigration initiative.

Administrative Savings

Administrative decreases totalling $4,045,000 are proposed for 1995 to be consistent with the recent Presidential executive order to achieve savings in administrative expenses. Savings in administrative expenses will be achieved through reduced travel, including conferences, external training, and use of contractor services, among other areas.

Immigration and Naturalization Service
Building and Facilities
Status of Construction and Summary of New Facilities Requirements
(In thousands of dollars)

Project	Amount Funded	Fiscal Year Funded	Source of Funds	Obligations to Date	Total Estimated Project Cost	Project Status
I. Under construction or fully funded:						
1. Modification of Topographical features (Southern Border)	$4,119	1987	IRCA	$3,527	$4,119	Partial completion. Estimated completion 12/94.
2. Brackettville, TX BPS	$275	1993	IRCA	$275	$275	Main structure completed and occupied in 1990. Paving to be completed 10/94.
3. El Paso, TX SPC-New Dormitory	$1,822 $1,837	1991 1994	Asset Forfeiture Appropriated BOP Budget	$235	$3,659	Design-Est. completion 6/94 Construction-Est. completion 4/96. New beds increase from 200 to 400. Funds added in 1994 BOP Budget.
4. El Centro, CA SPC-220 Bed Dormitory	$4,272	1991	Asset Forfeiture	$4,160	$4,272	Project completed 7/93.
5. Florence, AZ SPC-155 bed Dormitory & EOIR	$3,905	1991	Asset Forfeiture	$3,850	$3,905	Construction in progress. Estimated completion 6/94.
6. Uvalde, TX BPS	$353 $348	1987 1993	IRCA IRCA	$701	$701	Main structure completed and occupied in 1990. Paving to be completed 10/94.

Project	Amount Funded	Fiscal Year Funded	Source of Funds	Obligations to Date	Total Estimated Project Cost	Project Status
I. Under construction or fully funded:						
7. Pt. Isabel, TX. BPS	$741	1987	IRCA	$46	$741	Construction contract award in 1994 with completion in 1995.
8. Corpus Christi, TX BPS	$45	1987	IRCA	$45	$965	Design complete. Construction on indefinite hold pending funding.
9. Brown Field, CA BPS	$1,300	1991	Appropriated	$170	$4,137	Design complete. Project requires additional funding and design update
10. San Clemente, CA Checkpoint	$20,000	1991-92	Appropriated	$0	$32,000	Project on hold pending reprogramming funds for other other facility requirements.
11. Krome, FL SPC 300 Bed-Lockdown Dorm	$4,500 $5,493	1991 1994	Appropriated Appropriated BOP Budget	$558 $0	$9,993	Est. design complete 12/94. Scope of work increased from 36,000 SF to 74,141 SF. Est. completion of construction 12/96. Funds added in 1994 BOP Budget.
12. Alpine, TX Traffic Checkpoint	$150	1991	Appropriated	$150	$150	90% complete with 100% 2/94
13. Marathon, TX Traffic Checkpoint	$150	1991	Appropriated	$150	$150	90% complete with 100% 2/94
14. Marfa, TX Traffic Checkpoint	$150	1992	Appropriated	$150	$150	90% complete with 100% 2/94
15. El Centro, CA SPC Multi Purpose Building	$3,497 $525	1992 1993	Appropriated BOP Budget Appropriated Program-1 yr.	$4,022	$4,022	Construction award anticipated 2/94 with completion by 10/95.
16. El Centro, CA SPC & BP and Calexico, CA BP Underground storage tanks.	$420	1993	FINES	$420	$420	Design tank removal and replacement in progress.

Project	Amount Funded	Fiscal Year Funded	Source of Funds	Obligations to Date	Total Estimated Project Cost	Project Status
I. Under construction or fully funded:						
17. El Centro, CA SPC & BP and Campo, CA BP Underground storage tanks.	$443	1993	FINES	$443	$443	Environmental testing, designs, and installation in progress.
18. El Centro, CA SPC & BP Calexico and Campo, CA BP and Yuma AZ BP Underground storage tanks.	$325	1993	FINES	$325	$325	Environmental testing complete.
19. Yuma, AZ BP, Calexico and Campo, CA BP, and San Diego, CA BP Underground storage tanks.	$880	1993	FINES	$880	$880	Pre-design meeting 10/93 Testing in progress and remediation to follow.
20. San Diego, Ca Lighting project.	$430	1994	Appropriated	$0	$430	Acquisition of materials for JTF-6 Installation in 1994.
21. Buffalo, NY Service Processing Center	$10,300	1994	Appropriated. Funds in BOP Budget.	$0	$10,300	Land acquisition in 1994. Design award in 1995. Project completion date to be determined.
22. San Francisco, Ca. Service Processing Center	$11,250	1994	Appropriated. Funds in BOP Budget.	$0	$11,250	Land acquisition in 1994. Design award in 1995. Project completion date to be determined.
23. Krome, Fl SPC Building 8	$4,046	1994	Appropriated. Funds in BOP Budget.	$0	$4,046	Interagency Agreement with U.S. Navy to design/build. Project completion in 1995.
24. Krome, Fl SPC Expand kitchen/admin	$1,712	1994	Appropriated. Funds in BOP Budget.	$0	$1,712	Complete design in 1995. Construction complete in 1996.

Project	Amount Funded	Fiscal Year Funded	Source of Funds	Obligations to Date	Total Estimated Project Cost	Project Status
I. Under construction or fully funded:						
25. Krome, Fl SPC install metal building	$267	1994	Appropriated. Hurricaine Andrew funds.	$0	$267	Metal building is at site. Complete installation in 1995 after design.
26. El Paso, Tx SPC New infirmary	$900	1994	Appropriated. Funds in BOP Budget.	$0	$900	Design complete. Complete construction in 1996.
27. El Paso, Tx SPC Messhall, processing, EOIR, and Deportation	$4,850	1994	Appropriated. Funds in BOP Budget.	$0	$4,850	Complete design in 1995. Complete construction in 1996.

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Public Law 101-515, Section 112(5) - Report on the Financial Condition of the Breached Bond/Detention Account. The requested information is included in the 1995 Congressional Budget request for the Breached Bond/Detention Account.

2. Public Law 101-515, Section 210(d)(3) - Report on the Financial Condition of the Land Border Inspection Fee Account. The annual report was submitted to the Department on July 14, 1993.

3. Public Law 101-515, Section 210(d)(3) - Quarterly reports on the status of the Land Border Inspection Project. Reports were submitted on March 11, 1993 and July 14, 1993.

4. Public Law 101-515, Section 209(a) - Report on the Financial Condition of the Examinations Fee Account. The requested information is included in the 1995 Congressional Budget Request for the Immigration Examinations Fee Account.

5. Public Law 101-459, Section 210(a)(5) - Report on Financial Condition of the Inspections User Fee Account and Progress in meeting the 45 minute standard. The report was sent to Congress on March 2, 1993.

6. Public Law 99-591, Section 205 - Report on Adjustments to fees in the Immigration User Fee Account. The requested information is included in the 1995 Congressional Budget Request for the Immigration User Fee Account.

7. The Conference Report, 102-233, - Report quarterly on initiating the Immigration Pre-Inspection Program in the United Kingdom. Reports were sent to Congress on March 2, 1993, and August 19, 1993.

8. The Conference Report - Report on the success of the pilot parole project by September 30, 1992. This report was sent to Congress in October 1993.

9. The Conference Report, 102-918 - Propose legislation to correct pay disparities involving inspectors. Development of a comprehensive legislative initiative to restructure Immigration Inspector compensation, including replacing 1931 Act overtime is in process.

Immigration and Naturalization Service
Salaries and expenses
Priority Ranking
Fiscal Year 1995

Priority/Program	Program Investment Enhancement	Pos.	WY	($000)	RANKING
Adjudications & Naturalization, Information & Records	– Naturalization Initiative	206	103	$30,000	1
Investigations, Information & Records, & Legal Proceedings	– Employer Sanctions Initiative	369	186	32,656	2
	Total.....	575	289	62,656	

Immigration and Naturalization Service
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 - 1995

Category	1993 Appropriation	1994 Appropriation Enacted	1994 Change	1994 Appropriation Anticipated	1995 Base	1995 Locality Pay Absorption	1995 Program Change	1995 Total
Attorneys (905)	291	291	...	291	291	...	20	311
Paralegal Specialist (950)	2	2	...	2	2	...	...	2
Other Legal and Kindred (900-999)	490	490	...	490	490	-3	5	492
Contact Representative (962)	187	187	...	187	187	...	...	187
General Enforcement & Support (1800-1899)	450	450	...	450	450	...	199	649
Detention and Deportation Officer (1801)	299	350	...	350	350	...	...	350
Detention Enforcement Officer (1802)	564	661	...	661	661	-1	...	660
Criminal Investigators (1811)	1,537	1,537	...	1,537	1,537	...	52	1,589
Immigration Inspectors (1816)	871	843	...	843	843	-7	...	836
Immigration Examiners (1816)	...	...	...	...	...	...	101	101
Border Patrol Agents (1896)	4,209	4,659	-100	4,559	4,559	...	...	4,559
Other Miscellaneous Occupations (001-099)	26	26	...	26	26	...	...	26
Social Sciences, Economics and Kindred (100-199)	21	20	...	20	20	...	...	20
Personnel Management (200-299)	203	203	...	203	227	...	...	227
General Administrative and Clerical (300-399)	1,677	1,952	-30	1,922	2,000	-30	198	2,168
Accounting and Budget (500-599)	164	164	...	164	178	...	...	178
Medical, Dental and Public Health (600-799)	7	7	...	7	7	...	...	7
Engineering and Architecture (800-899)	90	90	...	90	90	...	...	90
Information and Arts Group (1000-1099)	46	46	...	46	46	...	...	46
Business and Industry Group (1100-1199)	50	50	...	50	60	...	...	60
Physical Sciences Group (1300-1399)	2	2	...	2	2	...	...	2
Mathematics and Statistics Group (1500-1599)	29	29	...	29	29	...	...	29
Equipment Facilities and Service (1600-1699)	12	12	...	12	12	...	...	12
Education Group (1700-1799)	16	15	...	15	15	...	...	15
Supply Group (2000-2099)	64	64	...	64	64	...	...	64
Border Patrol Pilots (2181)	79	79	...	79	79	...	...	79
Transportation (2100-2199)	12	12	...	12	12	...	...	12
Other (WG)	200	227	...	227	227	-3	...	224
Total	11,599	12,468	-130	12,338	12,464	-44	575	12,995
Washington	866	840	...	840	847	-3	40	884
U.S. Field	10,732	11,628	-130	11,498	11,617	-41	535	12,111
Foreign Field	...	...	...	...	...	...	...	...
Total	11,599	12,468	-130	12,338	12,464	-44	575	12,995

Immigration and Naturalization Service
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1994 As Enacted	12,338	11,661	$1,048,538
Transfer from HIDTA	...	...	2,700
Adjustment for Stay-in-School FTE's	...	285	...
1994 Appropriation Anticipated	12,338	11,946	1,051,238
Adjustments to base:			
Transfers:			
Mail Management Transfer	...	...	36
Mandatory increases:			
1995 Pay Raise	...	...	9,486
1995 Locality Pay	...	...	3,037
Within-grade increases	...	...	7,181
Annualization of 1994 positions	...	469	25,845
Foreign Allowance	...	...	1
Accident Compensation	...	...	1,703
Unemployment Compensation	...	...	137
GSA Rent	...	...	3,684
FTS 2000	...	...	4,096
Medical Costs	...	...	233
Employee Data & Payroll Services	...	...	172
Acquisition Training Costs	...	...	17
Lease Expiration Costs	...	...	879
General Pricing Level Increases	...	...	6,189
Adjustment in Staff to Support Ratios	126	63	4,733
Total, Mandatory increases	126	532	67,393
Decreases:			
One Less Compensable Day	...	...	-2,456
Non-recurring costs of 1994 positions	...	...	-19,597
Non-recurring costs of HIDTA transfer	...	...	-2,700
Total, Mandatory decreases	...	...	-24,753
1995 Base	12,464	12,478	1,093,914
1995 Investments	575	289	62,656
Locality Pay Absorptions	-44	-44	-3,037
Administrative Savings	...	...	-4,045
1995 Request	12,995	12,723	1,149,488

Immigration and Naturalization Service
Salaries and expenses
Justification of Adjustments to the Base
(Dollars in thousands)

Adjustments to Base:	Perm. Pos.	Work-Year	Amount
Transfers:			
Mail Management Transer	...	...	$36
The Department received the Office of Management and Budget's approval to convert the Justice Management Divisions (JMD) mail operation to a working Capital Fund (WCF) activity. As a result, the funds are being transferred from JMD-Appropriated to the Offices Boards and Divisions and Bureaus based on current contract usage. The funding will provide each component with the resources to reimburse the mail operation once it becomes a WCF operating activity in FY 1995. The mail operation will provide direct administrative support for services such as mail referral, bulk, mail delivery, and mail and messenger services.			
Mandatory Increases:			
1995 Pay Raise	...	...	$9,486
This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $9,486,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($6,548,000 pay and $2,938,000 benefits = $9,486,000).			
1995 Locality Pay	...	...	3,037
The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, locality costs for three-quarters of the year have been absorbed in the general expense areas. This was a permanent base reduction. For 1995, one-quarter year costs totalling $3,037,000 must be absorbed and the impact of absorbing the 1995 increment is reflected as a program decrease as discussed in the crosswalk and Justification of Multi-activity changes exhibits.			
Within-Grade Increase	...	...	7,181
This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $5,658,000 for pay and $1,523,000 for benefits.			

	Perm. Pos.	Work-Year	Amount
Annualization of 835 additional positions approved in 1994	...	469	$25,845

This provides for the annualized costs of 254 positions approved for the Detention & Deportation program and 581 positions approved for the Border Patrol in the 1994 budget request.

	Approved 1994 Increases	Annualization Required
Annual salary rate of 835 approved positions	$29,370	$15,080
other personnel compensation	2,505	4,877
Less Lapse (63%)	19,957	-5,417
Net Compensation	11,918	14,540
Associated employee benefits	7,138	7,350
Travel	568	616
Transportation of things	...	29
GSA Rent	2,324	2,275
Other rent	1,768	...
Communications/Utilities	522	725
Printing/Reproduction	44	...
Other Services	14,072	...
Supplies/Materials	2,636	310
Equipment	15,010	...
Total costs subject to annualization	56,000	25,845

Foreign allowances	...	...	1

Allowances for Government employees in foreign areas are determined by the Department of State (DOS). The requested increase of $1,000 provides five-percent over the obligations of $20,000, which is projected for 1994.

Accident Compensation	...	...	1,703

This increase reflects the billing provided by the Department of Labor (DOL) for the actual costs in 1993 of employees' accident compensation. This increase is required to meet our commitment to DOL.

Unemployment Compensation	...	...	137

This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $137,000 is required to meet our commitment to DOL.

General Services Administration (GSA) rent	...	...	3,684

GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $3,684,000 is required to meet our commitment to GSA.

	Perm. Pos.	Work-Year	Amount
FTS 2000	...	...	$4,096
During the development of the 1994 budget, the Office of Management and Budget decreased the funding for FTS 2000 based on the General Service Administration (GSA) projected rate decreases that were to amount to anywhere between 10 and 35-percent. GSA current projections, based on our fiscal year 1993 actual charges show that these rate decreases did not occur. Therefore, an increase of $4,096,000 is required to meet the Department's commitment to GSA.			
Medical costs	...	...	233
The Department of Health and Human Services is projecting an increase in health care costs. The Department is applying a factor of 4.9 percent against medical services. An increase of $233,000 will be required for 1995.			
Employee data and payroll services	...	...	172
Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. A 10-percent increase is needed to stay current with inflation, the increased use of the National Finance Center (NFC), and the continuing level of systems support by the Finance Staff. This request supports the completion of component conversion to the Personnel/Payroll System operated by NFC, as well as the continuing receipt of system services from NFC. An increase of $172,000 will be required in 1995.			
Acquisition Training	...	...	17
This increase represents the funds that will be needed to bring the current Level I-IV contracting officers into compliance with the Department's plan to implement OFPP Policy Letter 92-3 which mandates specific training requirements for acquisition personnel that allows them to perform their job. An increase of $17,000 will be required in 1995.			
Lease Expiration Costs	...	...	879
The Department has a large number of leases known to be expiring in 1995. In many cases the existing leases may be renewed but it is impossible to determine now how many and which ones will fall into this category. This increase includes costs for renovations necessary to occupy new space (costs for communications, wiring for automated systems, additional electrical outlets, etc.) and excludes any increase in rent costs. GSA estimates that, historically, 50 percent of all expiring leases are renewed. Therefore, the requested increase of $879,000 includes 50 percent of the estimated relocation costs for known lease expirations.			
General Pricing Level Adjustments	...	...	6,189
This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the			

	Perm. Pos.	Work-Year	Amount
Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.			
Adjustment in Staff to Support Ratio..... This represents an adjustment to staffing in the administrative area. Over recent years, INS has received increases in operational personnel without communsurate increases in support staffing. As a result, operational personnel perform administrative functions which divert efforts away from operational goals and objectives.	126	63	$4,733
Total Mandatory Increases.....	126	532	67,393
Decreases:			
One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $1,936,000 for pay and $520,000 for benefits.	...	...	-2,456
Nonrecurring costs of new positions anticipated in 1994..... Nonrecurring costs are associated with 835 positions approved in the 1994 budget request for the Border Patrol and Detention and Deportation programs. These include nonrecurring costs for full-field investigations, personal equipment.	...	...	-19,597
Nonrecurring costs of HIDTA transfer..... These costs are associated with the 1994 transfer received from HIDTA. This funding is received on a reimbursable basis.	...	...	-2,700
Total decreases.....	...	...	-24,753
Total, adjustments to the base.....	126	532	42,676

Immigration and Naturalization Service
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Appropriation Anticipated Positions & Workyears	1994 Appropriation Anticipated Amount	1995 Request Positions & Workyears	1995 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $115,700	1		1		1		...	
ES-5, $111,800	1		1		1		...	
ES-4, $107,300	12		12		12		...	
ES-3, $101,800	2		2		2		...	
ES-2, $97,400	4		4		4		...	
ES-1, $92,900	12		12		12		...	
GS/GM-15, $66,609-86,589	114		110		111		1	
GS/GM-14, $56,627-73,619	539		478		497		19	
GS/GM-13, $47,920-62,293	473		458		473		15	
GS-12, $40,298-52,385	782		777		906		129	
GS-11, $33,623-43,712	1,400		1,471		1,473		2	
GS-10, $30,603-39,783	45		45		45		...	
GS-9, $27,789-36,123	3,997		4,615		4,676		61	
GS-8, $25,159-32,710	112		112		112		...	
GS-7, $22,717-29,530	625		697		964		267	
GS-6, $20,443-26,572	985		1,112		1,112		...	
GS-5, $18,340-23,839	1,238		1,162		1,256		94	
GS-4, $16,393-21,307	739		752		801		49	
GS-3, $14,603-18,986	285		285		285		...	
GS-2, $13,382-16,843	27		27		27		...	
Ungraded positions	205		205		205		...	
1995 Pay Raise	...		...		...		...	
Locality Pay	...		...		...		...	
Total, appropriated positions	11,598	$450,475	12,338	$458,490	12,995	$485,335	657	$26,845
Pay above stated annual rates	...	1,327	...	1,780	...	...	...	-1,780
Lapses	-359	-13,330	-1,411	-32,736	-1,291	-24,940	120	7,796
Savings due to lower pay scales for part of year	...	-5,525	...	-2,318	...	-2,183	...	135
Net full-time permanent	11,239	432,947	10,927	425,216	11,704	458,212	777	32,996
Other than permanent:								
Part-time permanent	155	4,292	192	5,362	192	5,480	...	118
Temporary employment	187	7,627	517	9,417	517	9,557	...	140
Other part-time and intermittent employment	249	4,187	310	5,231	310	5,346	...	115
Other personnel compensation:								
Overtime	857	20,693	858	21,268	986	25,838	128	4,570
Administratively uncontrollable overtime	813	59,402	786	54,124	679	49,707	-107	-4,417
Other compensation	2,590	13,375	2,505	15,707	2,505	16,617	...	910
1931 Act Overtime	351	11,738	362	13,751	416	16,460	54	2,709
Special personal services payments	...	338	...	660	...	660	...	...
Total, workyears and personnel compensation	16,441	554,599	16,457	550,736	17,309	587,877	852	37,141
Average ES Salary		($100,239)		($104,950)		($106,629)		
Average GS/GM Salary		($36,575)		($35,865)		($36,865)		
Average GS/GM Grade		(11.29)		(11.51)		(11.53)		

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Immigration and Naturalization Service
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	11,239	$432,947	10,927	$425,216	11,704	$458,212	777	$32,996
11.3 Other than full-time permanent	591	13,925	1,019	20,010	1,019	20,383	...	373
11.5 Other personnel compensation	4,611	108,982	4,511	105,645	4,586	108,622	75	2,977
11.8 Special personal services payments	...	408	...	660	...	660	...	...
Total	16,441	556,262	16,457	551,531	17,309	587,877	852	36,346
Reimbursable workyears:								
Full-time permanent	(5,663)		(6,535)		(6,920)		(385)	
Other than permanent	(686)		(514)		(436)		(-78)	
12 Personnel benefits		146,715		147,836		162,642		14,806
13 Benefits to former personnel		833		843		843		...
21 Travel and transportation of persons		21,763		20,411		20,832		421
22 Transportation of things		1,341		2,934		2,995		61
23.1 GSA rent		58,603		69,176		77,640		8,464
23.2 Rental payments to others		2,503		6,738		6,788		50
23.3 Communications, utilities and miscellaneous charges		26,483		27,390		33,944		6,554
24 Printing and reproduction		1,193		1,586		1,702		116
25 Other services		88,506		168,633		157,514		-11,119
26 Supplies and materials		36,816		34,476		36,196		1,720
31 Equipment		25,710		38,451		45,208		6,757
32 Land and structures		83		39		39		...
41 Grants		...		...		15,000		15,000
42 Insurance claims and indemnities		219		218		218		...
43 Interest and dividends		20		...		...		...
44 Refunds		394		...		...		...
91 Unvouchered		8		50		50		...
Total obligations	16,441	967,452	16,457	1,070,312	17,309	1,149,488	852	79,176
Unobligated balance, start-of-year		-8,805		-19,074		...		
Lapses		206		...		...		
Unobligated balance, end-of-year		19,074		...		...		
Total requirements		977,927		1,051,238		1,149,488		
Relation of obligations to outlays:								
Total obligations		967,452		1,070,312		1,149,488		
Obligated balance, start-of-year		353,790		305,532		302,865		
Obligated balance, end-of-year		-305,532		-302,865		-385,228		
Adjustments in expired accounts		...		...		...		
Outlays		1,015,710		1,072,979		1,067,125		

Department of Justice

Immigration and Naturalization Service

Immigration Emergency Fund

Estimates for Fiscal Year 1995

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Immigration and Naturalization Service

Immigration Emergency Fund

Summary Statement

Fiscal Year 1995

The Immigration Emergency Fund, authorized by the Immigration Reform and Control Act of 1986 and funded by the Department of Justice 1990 Appropriations Act, P.L. 101-162, provided $35,000,000 in funding for possible emergencies in Border Patrol and other enforcement activities, and for reimbursement to States and localities for assistance in meeting an immigration emergency, subject to Presidential determination and Congressional notification. The Immigration Act of 1990 provides authorization for the Attorney General to make available up to $20,000,000 of the Immigration Emergency Fund to States and localities when the following provisions of the law are met: (1) an INS District Director certifies to the Commissioner that the number of asylum applications exceeds the number filed during the preceding quarter by at least 1,000; (2) the lives, property, safety, or welfare of the residents of a State or locality are endangered; or (3) in other circumstances as determined by the Attorney General. Thus far, no emergencies have been declared. On June 4, 1992, Public Law 102-298 rescinded $4,400,000 from the Fund. On October 27, 1993, Public Law 103-121, provided $6,000,000 in additional funding to remain available until expended. The new balance of the fund, $36,600,000 is currently expected to remain unobligated through the end of 1995.

Immigration and Naturalization Service

Immigration Emergency Fund

Summary of Requirements

(Dollars in thousands)

	1993 Actual	1994 As Enacted	1995 Request
Financing:			
Unobligated balance available, start-of-year	($30,600)	($30,600)	($36,600)
Unobligated balance available, end of year	30,600	36,600	36,600
Budget authority (appropriation)	...	6,000	...
Obligations	...	...	...
Outlays	...	...	...

Department of Justice

Immigration and Naturalization Service

Immigration Legalization

Estimates for Fiscal Year 1995

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Immigration and Naturalization Service

Immigration Legalization

Summary Statement

Fiscal Year 1995

The Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603, Title II, Sections 201-204, established a legalization program that provided temporary resident status to aliens who entered the U.S. illegally or lapsed into illegal status prior to January 1, 1982, resided continuously in the U.S. since then, and are not excludable. The legislation also provided for adjustment to permanent resident status after 18 months of temporary status upon showing general admissibility and basic citizenship skills. Section 202 further provided for adjustment to permanent resident status of certain Cubans and Haitians who entered the U.S. prior to January 1, 1982. The Immigration Act of 1990 provided a one-year extension of the deadline for filing applications for adjustment from temporary to permanent resident status.

The processing of the majority of applications for permanent resident status was completed in 1991. The remainder will be completed by the end of 1995. The processing of appeals of denials will continue through 1996. The request will allow the Service to complete processing of the small number of applications for permanent resident status and to shift additional resources to processing of appeals. Sufficient carryover resources will exist to fund the ongoing costs of this level of activity. All of the Legalization Offices have been closed except for the Los Angeles and Manhattan offices. The Legalization Regional Processing Facilities have been merged into the INS Service Centers within the Examinations program. The Legalization component of these centers will be phased out as work is completed, and remaining resources, such as equipment, will be used to improve the processing of ongoing casework at the Centers.

Several class action suits relating to the Legalization program are pending final resolution in the courts as a result of the U.S. Supreme Court's decision in Janet Reno, Attorney General et al., Petitioners v. Catholic Social Services, Inc., et al.. The decision vacated district court orders in two separate cases which had been joined on appeal to the Ninth Circuit Court of Appeals. The Supreme Court remanded the case to the district court for new jurisdictional determinations and, if appropriate, remedial orders limited in accordance with the Court's decision. Depending upon the outcome, final court action resolving these cases would generate limited additional processing in the future. Since the final outcome of these cases is not yet known, no additional resources are being requested above the base in 1995. However, the additional receipts from filing fees would cover any costs incurred as a result of court mandated actions affecting the program.

Action by the Congress on the Department of Justice Appropriations Act, 1992, provided up to $3,000,000 each year in excess Legalization program resources to the Office of Special Counsel for Immigration-Related Unfair Employment Practices (OSC). The 1992 and 1993 budgets included $3,000,000 for the OSC for outreach programs. This amount was lowered to $900,000 in the 1994 budget because the remaining balance in the Immigration Legalization account must be retained to meet the needs of the Legalization Appeals Unit which projects a continued workload through FY 1996. Therefore, this budget contains no resources for the OSC in 1995. However, the Department of Justice is requesting funding for the OSC in the direct appropriation for the employer sanctions/anti-discrimination initiative.

Immigration and Naturalization Service
Immigration Legalization
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Reprogrammings			1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Citizenship and Benefits:									
a. Adjudications and Naturalization.....	14	12	$1,306	9	42	$1,845	23	54	$3,151
Immigration Support:									
b. Information & Records Mgmtgement.	1	1	42	...	...	...	1	1	42
c. Legal Proceedings.....	...	...	...	3	3	251	3	3	251
	1	1	42	3	3	251	4	4	293
Total, INS.....	15	13	1,348	12	45	2,096	27	58	3,444
Office of Special Counsel.....	...	...	900	...	...	...	...	...	900
Total Obligations.....	15	13	2,248	12	45	2,096	27	58	4,344

Reprogrammings. Reflects the permanent effect of the 1993 reprogramming on 1994.

Immigration and Naturalization Service
Immigration Legalization

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	WY	Amount
1994 Appropriation anticipated	27	58	$4,344
Mandatory increases	...	...	62
Decreases (automatic, non-policy)	...	...	-3
Decreases (removal of resources for the Office of Special Counsel)	...	...	-900
1995 Base	27	58	3,503

Estimates by budget activity	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Citizenship and Benefits	23	54	$3,151	23	54	$3,209	23	54	$3,209	...	...	...
2. Immigration Support	4	4	293	4	4	294	4	4	294	...	...	...
3. Office of Special Counsel	...	...	900	...	...	...	...	...	...	...	...	...
Total	27	58	4,344	27	58	3,503	27	58	3,503	...	...	...

Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed in this account.

Immigration and Naturalization Service

Immigration Legalization

Summary of Requirements
(Dollars in thousands)

Financing	1993 Actual	1994 Appropriation Anticipated	1995 Request
Unappropriated balance, start-of-year	$13,247	$8,202	$4,758
Receipts	2,284	900	175
Total available for appropriation	15,531	9,102	4,933
Appropriation	-7,329	-4,344	-3,503
Unappropriated balance available, end-of-year	8,202	4,758	1,430
Obligations	7,631	4,344	3,503
Recovery of prior year obligations	-302	...	...
Total requirements	7,329	4,344	3,503
Obligations by program			
Enforcement:			
Investigations	359	...	...
Intelligence	279	...	...
	638	...	...
Citizenship and Benefits:			
Adjudications and Naturalization	3,605	3,151	3,209
Immigration Support:			
Data and Communications	200	...	...
Information and Records Management	3	42	42
Construction and Engineering	...	...	...
Legal Proceedings	185	251	252
Subtotal	388	293	294
Total obligations, INS	4,631	3,444	3,503
Obligations, Office of Special Counsel	3,000	900	...
Total obligations	7,631	4,344	3,503

Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed in this account.

Immigration and Naturalization Service
Immigration Legalization
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1993 As Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement:																		
Investigations	..	...	$400			$359	..								..	...	...	...
Intelligence	...	—	...	—	5	279	.	..	...	.	..	...	..	..	..	...	...	...
Subtotal		..	400	.	5	638												
Citizenship and Benefits:																		
Adjudications and Naturalization	23	67	4,641	23	57	3,605	23	54	$3,151	23	54	$3,209	23	54	$3,209	...	...	...
Immigration Support:																		
Data and Communications Sys		..	200			200	...	..	...	.	.	...	..		..	...	...	...
Information and Records Mgmt	1	1	40	1	.	3	1	1	42	1	1	42	1	1	42	...	...	...
Legal Proceedings	3	3	251	3	2	185	3	3	251	3	3	252	3	3	252	...	...	...
Subtotal	4	4	491	4	2	388	4	4	293	4	4	294	4	4	294	...	...	...
Total, INS	27	71	5,532	27	64	4,631	27	58	3,444	27	58	3,503	27	58	3,503	...	...	...
Office of Special Counsel	...	...	3,000	...	...	3,000	...	...	900	...	...	...	...	...	...	...	...	...
Total	27	71	8,532	27	64	7,631	27	58	4,344	27	58	3,503	27	58	3,503	..	...	...
Total FTE Workyears		71			64			58			58			58			...	
Overtime:																		
Other		5			10			4			4			4			...	
Total compensable workyears		76			74			62			62			62			...	

Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed in this account.

Immigration and Naturalization Service
Immigration Legalization
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

Activity: Citizenship and Benefits

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudications & Naturalization...	23	54	$3,151	23	54	$3,209	23	54	$3,209	...	...	...

LONG RANGE GOAL: To receive, process, review and subject to final action all applications and appeals related to denied applications submitted for temporary and permanent resident status under the Immigration Legalization program, authorized by the Immigration Reform and Control Act of 1986, P.L. 99-603, Title II, Sections 201-204.

MAJOR OBJECTIVES:

Complete processing of appellate and residual cases.

ACCOMPLISHMENTS AND WORKLOAD: The processing of applications for permanent resident status will, with the exception of residual cases, be completed in 1993. Processing of appeals of denials is likely to continue into 1996. The workload for the Immigration Legalization program is presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Applicants adjusted to temporary resident status.....	13,065	8,426	...	...
Applications pending for temporary resident status	10,844	...	...	...
Applications for permanent resident status.....	22,584	32,750	8,750	1,500
Applications completed.....	47,272	43,200	33,873	1,500
Appeals received.....	3,693	7,546	2,000	500
Appeals completed.....	4,050	5,236	6,825	6,825
Appeals pending.....	10,200	12,510	7,685	1,360

Explanation
Workload estimates are based on planning assumptions which take into consideration the completion of the residual workload resulting from the deadline extension imposed by the Immigration Act of 1990 (IMMACT 90) and the settlement of litigation. Under IRCA the deadline for applying for legalization/permanent resident status was one year after the alien became eligible to apply. IMMACT 90 changed this deadline to two years from the date of eligibility. As the processing of applications for permanent residence is completed, resources will be shifted to the more complex and resource-intensive activities related to the processing of appeals made by applicants initially denied benefits by INS.

During 1993 the appeals unit continued its operations and completed action on 5,236 appeals during the year. As projected there are 12,510 cases pending as of the beginning of FY 1994. This case load consists of appeals to the denial of applications for temporary residence, termination of temporary residence and, denial of applications for adjustment of status to permanent residence. In FY 1995, it is anticipated that the appeal unit will be adjudicating cases relating to litigation completed in FY 1994. These cases will be generally more complex in nature than cases previously adjudicated. As indicated, the appeals unit will require the previously requested resources in order to complete 6,825 appeals in FY 1995. Further, it is anticipated that the processing of appeals will continue through FY 1996.

On June 18,1993, the U.S. Supreme Court, in Janet Reno, Attorney General et al., Petitioners v. Catholic Social Services, Inc., et al. issued a decision vacating district court orders in two separate cases which had been joined on appeal to the Ninth Circuit Court of Appeals. (These cases dealt with issues related to aliens' continuous residence while in the country illegally and with foreign travel by aliens using facially valid visas to which they were not entitled.) The Supreme Court remanded the case to the district court for new jurisdictional determinations and, if appropriate, remedial orders limited in accordance with the Court's decision. At this time the Service is working with counsel for the plaintiffs regarding the details of remedial action to be proposed to the court. As a result of the decision, the Service's field offices must continue to accept applications related to these court cases until there is a final resolution in the district court. This resolution is anticipated in 1994.

At this time, applications continue to be filed for class determination in litigation cases. It is not yet possible to estimate accurately the number of applications which may be submitted as a result of the Court's decision. Resources in the Adjudications and Naturalization program field offices will be used to process and adjudicate applications of class members to the litigation and all remaining applications for adjustment under the Immigration Legalization program.

Activity: Immigration Support

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information & Records Management.....	1	1	$42	1	1	$42	1	1	$42	...	...	...
Legal Proceedings.....	3	3	251	3	3	252	3	3	252	...	...	...
Total.....	4	4	293	4	4	294	4	4	294	...	...	...

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information & Records Management.....	1	1	$42	1	1	$42	1	1	$42	...	...	...

LONG-RANGE GOALS: To provide information and records management support in a timely and professional manner to the staff of the Legalization Appeals Unit (LAU). Provide correspondence management support to the staff of the LAU to ensure compliance with the Freedom of Information Act and the Privacy Act. Ensure efficient records management in the life cycle of records. Ensure efficient mail and correspondence management practices.

MAJOR OBJECTIVES:

Provide reliable and accurate information and records support for the LAU so that information needed for the review of legalization appeals is correct and provided in such a way that processing is expedited.

Ensure LAU compliance with the Freedom of Information and Privacy Acts (FOIA/PA).

Respond to information and status requests regarding legalization appeals.

ACCOMPLISHMENTS:

The Information and Records Management program has continued to provide essential support for the Immigration Legalization program since its inception. Records personnel provide contract administration for data entry and records support at the processing facilities. As the Legalization program has phased down, the support provided to it by the Information and Records Management program has been reduced accordingly.

The processing of applicants for permanent resident status will continue into 1995. Appeals of denials are likely to continue into 1996. The Information and Records Management program will complete any work related to application processing and appeals. The resources in the program are assigned to the LAU.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings.....	3	3	$251	3	3	$252	3	3	$252	...	...	...

LONG RANGE GOAL: To provide legal representation for the United States Government in legalization cases and matters arising before Immigration Judges and the Board of Immigration Appeals; represent INS in other legalization-related administrative hearings; provide legal advice and support to INS personnel regarding legalization-related matters; and represent INS in cases stemming from the legalization statutes being tried

in the Federal courts.

MAJOR OBJECTIVES:

Represent the Service before administrative bodies and Federal courts in litigation involving all aspects of the Immigration Legalization program.

ACCOMPLISHMENTS:

This activity has been and remains important since several pending cases could have the effect of extending the program to allow a relatively small group of aliens to submit applications. Litigation continued into 1993 in a small number of significant cases. Legal support to the Legalization Appeals Unit and the Headquarters Legalization Office will continue.

The processing of applications for permanent resident status will be completed in 1993. Appeals of denials are likely to be completed by 1996. It is anticipated that the Legal Proceedings program will be able to address these appeals with resources committed within the Legalization account.

Immigration and Naturalization Service

Immigration Legalization

Detail of Permanent Positions by Category

Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Appropriation Anticipated	1995 Request
Attorneys (905)	2	2	2
Paralegal Specialist (950)	1	1	1
Contact Representatives (962)	1	1	1
Immigration Examiners (1801)	23	23	23
Total	27	27	27
Washington	27	27	27

Immigration and Naturalization Service

Immigration Legalization

Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1994 Appropriation Anticipated	27	58	$4,344
Mandatory increases:			
1995 Pay Raise	...	...	13
1995 Locality Pay	...	...	12
Within-Grade Increases	...	...	8
General Pricing Level Adjustments	...	...	29
Total, mandatory increases	...	...	62
Decreases:			
One Less Compensable Day	...	...	-3
Nonrecurring decreases (removal of resources for the Office of Special Counsel)	...	...	-900
Total, decreases	...	...	-903
1995 Base	27	58	3,503
1995 Request	27	58	3,503

Immigration and Naturalization Service
Immigration Legalization
Justification of Adjustments to the Base
(Dollars in thousands)

Mandatory Increases:	Amount
1995 Pay Raise..... This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $13,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($11,000 pay and $2,000 benefits = $13,000).	$13
1995 Locality Pay..... The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, locality costs for three-quarters of the year have been absorbed in the general expense areas. This was a permanent base reduction. For 1995, one-quarter year costs totalling $12,000 is required for locality pay.	12
Within-Grade Increase ..... This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $6,000 for pay and $2,000 for benefits.	8
General pricing level adjustments..... This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	29
Total Mandatory Increases.....	62

Decreases:

One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $3,000 for pay.	-3
	Amount
Nonrecurring cost of funds transferred to the Office of Special Counsel for Immigration-Related Unfair Employment Practices..... Nonrecurring costs are associated with funds included in the 1994 President's Budget which have been transferred to the Office of Special Counsel for Immigration-Related Unfair Employment Practices. In the 1995 Budget, this transfer of resources is not included due to the need to retain these resources to support the Appeals Unit in 1995 and 1996.	-900
Total decreases.....	-903
Total, adjustments to the base.....	-841

Immigration and Naturalization Service
Immigration Legalization
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount
GS/GM-14, $56,627-73,619	4		4		4		...	...
GS-11, $33,623-43,712	9		9		9		...	...
GS-9, $27,789-36,123	10		10		10		...	...
GS-7, $22,717-29,530	4		4		4		...	...
Locality pay	...	...	...	$40	...	$40		
1995 pay raise	...	...	...	...	...	16		
Total, positions	27	$1,123	27	1,232	27	1,242	...	10
Pay above stated annual rates	...	2	...	3	...	...	...	-3
Lapses	-9	-324	-2	-78	-2	-81	...	-3
Savings due to lower pay scales for part of year	...	-5	...	-10	...	-4	...	6
Net full-time permanent	18	796	25	1,147	25	1,157	...	10
Other than permanent:								
Temporary employment	46	1,432	33	1,385	33	1,393	...	8
Other personnel compensation:								
Overtime	10	467	4	173	4	174	...	1
Total, workyears and personnel compensation	74	2,695	62	2,705	62	2,724	...	19
Average GS/GM salary		($41,593)		($42,481)		($42,852)		
Average GS/GM grade		(9.20)		(9.50)		(9.50)		

Immigration and Naturalization Service
Immigration Legalization
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	18	$796	25	$1,147	25	$1,157	...	$10
11.3 Other than permanent	46	1,432	33	1,385	33	1,398	...	13
11.5 Other personnel compensation	10	467	4	173	4	175	...	2
Total, workyears and personnel compensation	74	2,695	62	2,705	62	2,730	...	25
12 Personnel benefits		533		455		460		5
13 Benefits to former personnel		16		...		...		...
21 Travel and transportation of persons		123		75		75		...
22 Transportation of things		1		...		...		...
23.1 GSA rent		256		125		125		...
23.2 Rental payments to others		70		...		...		...
23.3 Communications, utilities and miscellaneous charges		161		20		21		1
				25		26		1
24 Printing and reproduction		7		...		...		...
25 Other services		3,489		910		10		−900
26 Supplies and materials		138		29		55		26
31 Equipment		142		...		1		1
42 Insurance claims and indemnities		...		...		...		...
Total obligations	74	7,631	62	4,344	62	3,503	...	−841
Relation of obligations to outlays:								
Total obligations		7,631		4,344		3,503		−841
Recovery of prior years obligations		−301		...		...		...
Outlays		7,330		4,344		3,503	...	−841

Department of Justice
Immigration and Naturalization Service
Immigration User Fee
Estimates for Fiscal Year 1995

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Immigration & Naturalization Service

Immigration User Fee

Summary Statement

Fiscal Year 1995

For 1995, the Immigration and Naturalization Service is requesting 168 positions, 84 workyears and $18,944,000 for the Immigration User Fee account as program increases over the 1995 Administration's base. With these increases, total program resources for 1995 would be 3,110 positions, 2,945 workyears and $321,578,000.

The Immigration User Fee Account was established in the 1987 Appropriations Act for the Department of Justice, (P.L. 99-591). Section 205 of the law directed the Attorney General, effective December 1, 1986, to charge and collect a $5.00 user fee from each individual arriving in the United States aboard a commercial aircraft or vessel from foreign locations (other than Mexico, Canada and the adjacent islands).

In the 1991 Appropriations Act, the Congress removed the fee exemption for Canada, Mexico and the contiguous territories for air ports-of-entry, and placed a 45-minute immigration inspection standard at air ports-of-entry. The Department of Justice Appropriations Act, 1994 (P.L. 103-121) increased the user fee from $5.00 to $6.00.

All fees are to be deposited in an Immigration User Fee account. The resources are to be used to: provide immigration inspection services for commercial aircraft and vessels; administer debt collection activities, including the establishment and operation of a National Collections Office; expand and operate information systems for non-immigrant control and debt collection; detect fraudulent documents used by air and sea passengers traveling to the United States; detain and deport excludable aliens arriving on commercial aircraft and vessels, detain and deport excludable aliens who attempt illegal entry through avoidance of immigration inspection at air or sea ports-of-entry, provide exclusion and asylum proceedings at air or sea ports-of-entry, and provide necessary support for operations to assure that the objectives of the programs are achieved.

Budget Planning

The budget planning process at INS led to the development of three major priorities for the 1995 budget. These three priorities are: Improving Service to the Public, Strengthening Control of our Borders, and Addressing Infrastructure Needs to support agency operations. These three priorities cross all major INS budget accounts. This budget request, as well as the requests for Salaries and Expenses, the Immigration Examinations Fee, and the Land Border Inspection Fee accounts, reflect INS' efforts to address these important priorities. Investments requested in the Immigration User Fee account include four initiatives to address two of the three priorities - Strengthening Control of the Borders and, equally important to INS' ability to carry out its mission, Infrastructure Support.

Strengthen Control of our Borders

To Strengthen Control of our Borders, INS is requesting additional User Fee resources of 136 positions, 68 workyears and $8,659,000 for staffing air ports-of-entry to keep pace with passenger traffic growth and the expansion of major airport facilities; and $8,000,000 for an additional 150 contract detention bedspaces, that would bring the total contract detention bedspaces to 300 in the New York City area to handle the large numbers of exclusion cases entering through the airports in that area.

Infrastructure Support

Increases of 32 positions, 16 workyears and $2,285,000 are also requested to address infrastructure needs. Infrastructure staffing requirements have been identified for field support, accountability and control, and EEO complaint adjudications. The INS has identified weaknesses in these three areas as has the Department's Inspector General and the General Accounting Office. This requested increase will address the Immigration User Fee related responsibilities of this strategy.

Included in the increases requested for infrastructure needs is $1,070,000 to maintain an orderly vehicle replacement cycle for vehicles that are used in support of programs funded by the Immigration User Fee account.

Revenue Assumptions

Funding for air and sea inspection services and other activities is dependent upon the collection of a User Fee assessed to most international air and sea travelers. This User Fee is set by statute, and the 1994 Department of Justice Appropriations Act (Public Law 103-121) set the fee at $6.00 per passenger. The fee had not been changed since the Immigration User Fee account was established in 1987.

The 1994 and 1995 estimates used 1993 as a collections base, and include an annual increase in international passenger traffic of 6.6 percent based upon Federal Aviation Administration projections. The estimated revenue is also affected by the following:

The Administration has proposed to remove the User Fee exemption for passengers arriving in the United States from Canada, Mexico, or any adjacent island on commercial vessels. These proposals are included in the Administration's legislation entitled "Expedited Exclusion and Alien Smuggling Enhanced Penalties Act of 1993" and are assumed in revenue estimates for 1995. It is estimated that removal of the commercial vessel exemption will generate $18.85 million in 1995.

Legislation is also being sought to revise current law to permit the mitigation of fines against carriers which transport aliens lacking proper authorization to enter the U.S. As a consequence of this legislative proposal and the establishment of carrier cooperative agreements, the revenue estimates assume that 1994 collections for enforcement fines will be 42 percent lower than 1993 levels for 9 months. This effort will increase vigilance in the interception of improperly documented aliens at overseas ports-of-entry embarkation. The 1995 estimates reflect a 42 percent reduction for the full year.

Immigration and Naturalization Service
Immigration User Fee
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Request			Congressional Appropriation Actions on 1994 Request			1994 Reprogramming			1994 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Enforcement												
a. Inspections	2,302	2,361	$161,566	155	94	$22,532	−89	−54	−$18,004	2,368	2,401	$166,094
b. Investigations	69	69	5,021	...	...	...	...	...	...	69	69	5,021
c. Detention & Deportation	167	167	41,136	84	63	22,168	...	...	...	251	230	63,304
d. Intelligence	24	24	1,877	...	...	...	...	...	...	24	24	1,877
Subtotal	2,562	2,621	209,600	239	157	44,700	−89	−54	−18,004	2,712	2,724	236,296
2. Citizenship and Benefits												
a. International Affairs & Outreach	...	...	...	31	23	5,300	...	...	...	31	23	5,300
3. Immigration Support												
a. Training	30	29	3,050	...	...	...	...	...	...	30	29	3,050
b. Data & Communications	31	31	29,623	...	...	...	...	...	...	31	31	29,623
c. Information & Records Mgmtgement	36	36	1,548	...	...	...	...	...	...	36	36	1,548
d. Construction & Engineering	2	2	128	...	...	...	...	...	...	2	2	128
e. Legal Proceedings	25	23	1,978	...	...	...	...	...	...	25	23	1,978
Subtotal	124	121	36,327	...	...	...	...	...	...	124	121	36,327
4. Program Direction												
a. Management and Administration	75	75	9,089	...	...	...	...	...	...	75	75	9,089
Total	2,761	2,817	255,016	270	180	50,000	−89	−54	−18,004	2,942	2,943	287,012

1994 President's Request. Includes the permanent effect of the 1993 reprogramming on 1994.

1994 Reprogramming. This column reflects the need to adjust resources to a level which is consistent with a reduction in anticipated receipt revenues – the cruise ship exemption was not lifted by Congress; and unanticipated delays have occurred in implementing the $1 increase in User Fee. Congressional notification will be transmitted through a downward adjustment fee letter.

Immigration and Naturalization Service
Immigration User Fee
Summary of Requirements
(Dollars in thousands)

Adjustments to the base:	Perm. Pos.	Work-years	Amount
1994 appropriation anticipated	2,942	2,943	$287,012
Technical adjustment to the Inspections program workyear level	...	-204	...
Mandatory increases	...	...	7,198
Annualization and Nonrecurring costs of 1994 positions	...	122	8,424
1995 Base	2,942	2,861	302,634

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	2,712	2,724	$236,296	2,712	2,634	$249,555	2,848	2,702	$266,214	136	68	$16,659
2. Citizenship and Benefits	31	23	5,300	31	31	6,290	31	31	6,290	...	...	...
3. Immigration Support	124	121	36,327	124	121	37,177	124	121	37,177	...	...	...
4. Program Direction	75	75	9,089	75	75	9,612	107	91	11,897	32	16	2,285
Total	2,942	2,943	287,012	2,942	2,861	302,634	3,110	2,945	321,578	168	84	18,944

Note. Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed.

Immigration and Naturalization Service
Immigration User Fee
Summary of Requirements
(Dollars in thousands)

	1993 Actual	1994 Appropriation Anticipated	1995 Request
Financing			
Unappropriated balance, start-of-year	$13,051	$28,879	$16,548
Receipts	239,994	283,500	325,200
Total available for appropriation	253,045	312,379	341,748
Appropriation	-224,166	-295,832	-324,978
Unappropriated balance, end--of-year	28,879	16,547	16,770
Obligations	227,101	295,832	324,978
Recovery of prior year obligations	-2,935	...	...
Total requirements	224,166	295,832	324,978
Obligations by program			
Enforcement:			
Inspections	138,328	166,094	186,016
Investigations	4,328	5,021	5,153
Detention and Deportation	31,127	63,304	73,121
Intelligence	1,553	1,877	1,924
Subtotal	175,336	236,296	266,214
Citizenship and Benefits:			
International Affairs and Outreach	446	5,300	6,290
Immigration Support:			
Training	3,038	3,050	3,114
Data and Communications	26,640	29,623	30,310
Information and Records Management	1,308	1,548	1,595
Construction and Engineering	122	128	130
Legal Proceedings	1,949	1,978	2,028
Subtotal	33,057	36,327	37,177
Program Direction:			
Management and Administration	7,808	9,089	11,897
Obligations from fees	216,647	287,012	321,578
Obligations from Fines	10,454	8,820	3,400
Total Obligations	227,101	295,832	324,978

Note. Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed in this account.

Immigration and Naturalization Service
Immigration User Fee
Summary of Resources by Program
(Dollars in thousands)

Estimates by program	1993 as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement																		
Inspections	2,189	2,268	$150,148	2,189	2,076	$136,328	2,368	2,401	$168,094	2,368	2,290	$177,357	2,504	2,358	$188,016	136	68	$10,659
Investigations	69	69	4,893	69	48	4,328	69	69	5,021	69	69	5,153	69	69	5,153	...	...	
Detention & Deportation	137	137	37,592	137	129	31,127	251	230	63,304	251	251	65,121	251	251	73,121	...	...	8,000
Intelligence	24	24	1,820	24	20	1,553	24	24	1,877	24	24	1,924	24	24	1,924	...	...	
Subtotal	2,399	2,498	194,453	2,399	2,273	175,336	2,712	2,724	238,296	2,712	2,634	249,555	2,848	2,702	268,214	136	68	18,659
Citizenship and Benefits																		
International Affairs & Outreach			255			446	31	23	5,300	31	31	6,290	31	31	6,290	..	..	...
Immigration Support:																		
Training	30	29	5,237	30	17	3,038	30	29	3,050	30	29	3,114	30	29	3,114	.	...	...
Data & Communications Systems	31	29	28,838	31	25	26,640	31	31	29,623	31	31	30,310	31	31	30,310	...	...	...
Information & Records Management	36	36	1,418	36	33	1,308	36	36	1,548	36	36	1,595	36	36	1,595	...		
Construction & Engineering	2	2	125	2	2	122	2	2	126	2	2	130	2	2	130	..	...	.
Legal Proceedings	25	25	1,936	25	27	1,949	25	23	1,976	25	23	2,028	25	23	2,028	...	..	..
Subtotal	124	121	37,554	124	104	33,057	124	121	36,327	124	121	37,177	124	121	37,177	..		
Program Direction:																		
Management and Administration	74	74	8,886	74	71	7,808	75	75	9,069	75	75	9,612	107	91	11,897	32	16	2,285
Total	2,597	2,693	240,946	2,597	2,448	218,647	2,942	2,943	267,012	2,942	2,861	302,634	3,110	2,945	321,578	168	84	18,944
Obligations from fines			12,660			10,454	.		8,620	.	...	3,400	.	..	3,400	...	.	.
Total obligations	2,597	2,693	253,606	2,597	2,448	227,101	2,942	2,943	295,632	2,942	2,861	306,034	3,110	2,945	324,978	168	84	18,944
Other Workyears																		
Overtime																		
1931 Act.		950			861			1,051			1,081			1,108			27	
AUO		24			24			24			24			..			..	
Other		170			168			179			183			186			3	
Total compensable workyears		3,637			3,499			4,187			4,149			4,263			114	

Note Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed

Immigration and Naturalization Service
Immigration User Fee Account
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

Activity: Enforcement

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections	2,368	2,401	$166,094	2,368	2,290	$177,357	2,504	2,358	$186,016	136	68	$8,659
Investigations	69	69	5,021	69	69	5,153	69	69	5,153	...	...	...
Detention and Deportation	251	230	63,304	251	251	65,121	251	251	73,121	...	...	8,000
Intelligence	24	24	1,877	24	24	1,924	24	24	1,924	...	...	...
Total	2,712	2,724	236,296	2,712	2,634	249,555	2,848	2,702	266,214	136	68	16,659

This budget activity contains resources dedicated to both preventing illegal entry into the United States and facilitating the entry of qualified persons through air and sea ports-of-entry. This activity includes inspecting applicants for admission, investigating alien smuggling and immigration fraud schemes, detaining and deporting illegal aliens, and scientifically examining and analyzing documents to assist in the identification of aliens attempting fraudulent entry.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections	2,368	2,401	$166,094	2,368	2,290	$177,357	2,504	2,358	$186,016	136	68	$8,659

LONG-RANGE GOAL: To ensure that the entry of applicants for admission into the United States at air and sea ports of entry is controlled in a manner that is consistent with the National interest; facilitate the entry of qualified applicants; identify and deny admission to those not qualified; and provide support to the Adjudications and Naturalization program by approving or denying applications and petitions for benefits that are sent to ports-of-entry for remote adjudication during inspector standby time.

MAJOR OBJECTIVES:

Inspect, in cooperation with other Federal agencies, all applicants for admission into the United States at air and sea ports-of-entry. A 45-minute standard for primary inspection has been established at major international airports.

Prevent the entry of inadmissible applicants through air and sea ports-of-entry.

Detect fraudulent documents including those representing false claims to U.S. citizenship or permanent residence status used for illegal entry.

Adjudicate applications and petitions at air and sea ports-of-entry in order to efficiently utilize inspector standby time.

BASE PROGRAM DESCRIPTION: The function of this program is to enforce and administer the immigration and nationality laws with respect to the inspection of all persons seeking admission into the United States. Applicants for admission are inspected at air and sea ports-of-entry to determine if they qualify for admission, and, if so, under what conditions. This process is coordinated with the Department of State, the U.S. Customs Service, the Department of Agriculture, and local port authorities. Determination of inadmissibility is based on the examination of the applicant, related documents, or prior information. Local and national lookout systems containing information relating to excludable aliens are available for use at each port-of-entry. Inadmissible aliens are denied entry. Any criminal activity discovered in the inspection process is referred to the appropriate law enforcement agency for investigation. Applications and petitions for a full range of benefits under the immigration laws are adjudicated during periods of standby time at most ports-of-entry during non-peak workload hours.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Inspections program at air and sea ports-of-entry are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Persons Inspected - User Fee.....	61,260,947	64,207,860	68,800,000	73,000,000
Inadmissible Aliens Intercepted User Fee...	87,970	88,209	107,000	132,000

The Inspections program has made substantial progress in meeting the 45-minute inspection standard mandated by the Congress. During a six-month survey period, from July 1992 through December 1992, 99.7 percent of arriving flights were processed within the 45-minute standard. Flights not inspected within the standard are reported to managers so that the causes for the delays can be analyzed and appropriate corrective action taken. In some cases, the peaking of flight arrivals or factors related to an airport's design may be causing the delays.

The Service has initiated productivity initiatives which have been a factor in the facilitation of the inspectional process. The Interagency Border Inspection System (IBIS) is a cooperative effort between the INS, the U.S. Customs Service (USCS), the Department of State (DOS), and other Federal agencies. The system's database primarily includes INS lookout records, DOS information on lost or stolen passports and excludable aliens, and USCS lookout records. IBIS installations cover over 95 percent of all commercial airport traffic. Arriving passengers' records are checked against this extensive automated database. The use of IBIS is essential to the facilitation of passenger inspections and the achievement of the 45-minute inspection standard.

The Service has implemented other approaches to facilitate inspections. Using the Advance Passenger Information System (APIS), an airline communicates a departing flight's passenger information and the flight's destination port-of-entry to allow a search of the IBIS database to determine the passengers' admissibility prior to the arrival of the aircraft. The use of APIS results in a significant time savings for the arriving passengers.

The INS also dedicates "Blue Lanes" to facilitate the entry of passengers for whom APIS data has been collected and processed. Passengers on APIS flights proceed directly to these special lanes which allow passengers to move rapidly through the inspection area. Approximately 22 percent of arriving air passengers are processed using this system.

In addition to the APIS and "Blue Lanes", in May 1993 the Service began testing a new automated inspections process called the INS Passenger Accelerated Service System (INSPASS) at the Newark and New York airports. INSPASS uses an enrollment procedure in which a traveler is "inspected" for admission to the United States and then given a card encoded with biometric data which makes it possible to uniquely "tie" the card to the individual. Applications for INSPASS are accepted at specific INS enrollment sites, where applicants file written applications and are interviewed by INS personnel. If their applications are accepted, biometric measurements of their hands are taken. INSPASS cards, similar to a credit card in shape and size, are issued at the conclusion of the enrollment process. These cards contain electronically-encoded identification and biometric information.

When a card-holding traveler arrives at a port-of-entry equipped for INSPASS inspections, the individual proceeds to an automated inspection stand for accelerated inspection processing. The traveller inserts his/her INSPASS card in a reader which then queries the IBIS database to determine admissibility. The coded data establishes identity, enabling an automated approval of admission into the U.S. When the IBIS search is completed, the traveler places his/her hand in a hand geometry reader for further identification verification. If this "test" is passed and the reader detects a match with the biometric data, the traveler receives a receipt or the departure portion of the I-94, depending on the individual's immigration status, and is permitted to pass through an automated gate as soon as the receipt or I-94 is removed from the machine. The total processing time is designed to require not more than 30 seconds. When the test of INSPASS has been completed and evaluated, the Service will determine the feasibility of implementation on a broader scale.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	2,368	2,290	$177,357	2,504	2,358	$186,016	136	68	$8,659

In order to continue to meet the 45-minute inspection standard in 1995, 136 positions, 68 workyears, and $8,659,000 are requested for the Inspections program. Total airport and seaport inspections for the year are projected to reach 73,000,000. Growth in airline traffic and airport expansions require a continuous reassessment of staffing levels. Traffic growth is projected to be six percent from 1994 to 1995. To meet this increase, 136 positions will be required. The automated Workload Analysis Model (WAM) will be used to distribute the positions. Distribution will be based on traffic growth at specific airports as well as airport expansion projects which would add inspection lanes requiring staffing increases. At this time it is anticipated that the major international airports in New York, Los Angeles, Miami and Honolulu may require additional resources. The President's 1994 immigration initiative includes 66 positions, 40 workyears and

$4,528,000 for improvements in the integrity of airport admissions. The increases requested in this submission will build on the improvements initiated by the President's initiative.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations.....	69	69	$5,021	69	69	$5,153	69	69	$5,153	...	...	...

LONG-RANGE GOAL: To support activities associated with the Immigration User Fee account by identifying law violators and gathering evidence of violations of the Immigration and Nationality Act and related criminal laws; and initiating appropriate criminal prosecution or providing information to support administrative action to effect removals from the United States.

MAJOR OBJECTIVES:
Prosecute and deter arrangers, facilitators and smugglers who conspire with, and assist aliens to fraudulently obtain immigration benefits or perpetrate major fraud schemes associated with international air and sea ports-of-entry.

Investigate and apprehend aliens who commit major criminal offenses, with emphasis on international criminal alien organizations involved in narcotics trafficking, subversion, terrorism, alien smuggling, and other serious or violent criminal activities associated with international air and sea travel.

Provide investigative support to other Service branches by locating aliens who have absconded from deportation or exclusion proceedings associated with international air and sea ports-of-entry.

BASE PROGRAM DESCRIPTION: The function of this program is to detect criminal law violations and identify violators through covert operations and other investigative procedures, and initiate criminal prosecution or administrative action. Many of the cases investigated involve violators associated with large-scale, highly-organized criminal conspiracies. Quite often, these criminal alien organizations are simultaneously engaged in other illegal activities such as racketeering, alien smuggling, counterfeiting, prostitution, official corruption, narcotics, weapons trafficking and extortion on an international scale. Special Agents identify these organizations through interviews, the use of informants, surreptitious surveillance, as well as undercover and task force operations. Investigative task force operations concentrate the resources of a local office, or combine the resources of several offices, to identify the members and activities of a criminal organization. Investigations often require the service of subpoenas and search warrants to obtain evidence.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Deportable Aliens				
Apprehended.....	1,170	1,774	1,920	1,920
Apprehensions per workyear*	31.0	31.0	31.0	31.0
Fraud				
Cases Completed.....	73	104	104	104
Defendants Prosecuted.....	29	42	42	42
Cases Completed per workyear*	3.8	3.8	3.8	3.8
Smuggling				
Cases Completed.....	113	150	160	160
Prosecutions.....	116	135	144	144
Cases Completed per workyear*	6.0	6.0	6.0	6.0

* Ratios are based upon the number of workyears allocated to the various Investigative functions.

The focus of the Investigations program with regard to the Immigration User Fee activities reflects one of the basic enforcement priorities of the INS: detection and deterrence of fraud and smuggling.

The principal goal of the fraud program is to discourage illegal immigration through fraud, and to protect the integrity of benefits and documents legitimately provided to those aliens who are entitled. In an effort to accomplish this goal, the INS is aggressively targeting complex criminal organizations involved in immigration fraud.

Smuggling cases typically involve the investigation of major international alien smuggling and criminal organizations. The past year portends even greater worldwide activity. Cases have shown extensive networks used to move aliens via circuitous routes to reach an end destination.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation.....	251	230	$63,304	251	251	$65,121	251	251	$73,121	...	...	$8,000

LONG-RANGE GOAL: To support inspectional activities associated with the Immigration User Fee account through the detention of alien passengers who are subject to exclusion proceedings before an immigration judge, and who are likely to abscond, or who represent a danger to public safety and security.

MAJOR OBJECTIVES:
To provide for the safe and secure detention of alien passengers under exclusion proceedings in custody for a hearing before an immigration judge.

BASE DESCRIPTION: The Detention and Deportation program is a critical element in the structure of the Service. Its functions are the detention, removal, parole and deportation of aliens. Both Service-owned and contract facilities are used to detain, until ready for removal, those aliens subject to exclusion proceedings who are likely to abscond or whose freedom at large would represent a danger to public safety and security. In the performance of the deportation function, the Service maintains a system of controls that ensures that every case involving an excludable alien is efficiently and correctly processed and, if necessary, the alien's removal from the country is effected promptly.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Detention and Deportation program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Aliens Detained.....	10,834	7,452	7,437	8,690
Number of Detention Days.	485,135	477,330	434,449	516,622
Average Stay in Detention (Days).....	44.7	64.0	58.4	59.5
Exclusions.....	1,448	1,656	1,765	1,889

The Detention and Deportation program locates available space in Service detention facilities, local jails, hotels, motels, and contract detention facilities to house aliens in exclusion proceedings in the major metropolitan areas. The program's ability to detain aliens in exclusion proceedings until the completion of their cases is dependent upon the availability of funding.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation.....	251	251	$65,121	251	251	$73,121	...	...	$8,000

Detention capacity is a critical element in the effective control of our borders. The number of excludable aliens apprehended at New York's John F. Kennedy International Airport (JFKIA) has resulted in the need to expand the number of bedspaces available. JFKIA has experienced an influx of aliens who present themselves for inspection with fraudulent documents or no documents at all and claim political asylum when they are denied entry to the country. This is believed to be a strategy which has been developed and replicated by alien smugglers who are well-aware of the nature of the United States' policies on asylum and the scarcity of detention space in the New York Metropolitan area.

An increase of $8,000,000 is included in this program to fund an expansion of contract detention space in the New York Metropolitan area. It is expected that the facility will come on-line in mid-1994, with a fully operational capacity of 300 bedspaces. However, funding provided in FY 1994 only provides for the utilization

of 150 beds. The additional funding will allow the use of the remaining 150 bedspaces at the facility, thereby doubling its operational potential from 54,750 to 109,500 detention days per year. This facility will support the enforcement activities of the Inspections program by increasing the number of bedspaces available for detention of persons placed in exclusion proceedings who would be expected to abscond if released. In addition, this investment further supports the President's 1994 immigration initiative and related Congressional appropriations action which included resources directed toward the detention, processing and removal of expedited exclusion cases. Failure to provide the requested resources will result in the underutilization of the contract detention facility in New York at a time when additional space is clearly needed to detain aliens filing suspected frivolous asylum claims. Detention provides the only means to assure deportation. Experience has demonstrated that the majority of aliens released on bond or their own recognizance abscond.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	24	24	$1,877	24	24	$1,924	24	24	$1,924	...	...	...

LONG-RANGE GOAL: To develop an international immigration intelligence capability for the collection, analysis and dissemination of information regarding global migration patterns and trends, and provide meaningful intelligence support on a regular basis to INS's operational components for enhanced effectiveness and efficiency of activities associated with the Immigration User Fee account.

MAJOR OBJECTIVES:
Furnish assistance in the detection of fraudulent identity documents to international law enforcement agencies and international air carriers.

Provide intelligence assistance and support required for maximum operational effectiveness of INS field components.

Maintain liaison with appropriate United States and foreign government agencies on immigration and National security matters including the movement of known or suspected international terrorists.

Provide technical support and assistance in the prosecution of major document counterfeiters, alien smugglers and other violators of the Immigration and Nationality Act.

BASE PROGRAM DESCRIPTION: This program provides strategic and tactical intelligence support to Service offices enforcing the provisions of the Immigration and Nationality Act, and assists other Federal agencies in addressing national security issues. The Service's document laboratory is a critical component of the program. Intelligence support contributes to efforts aimed at preventing the entry of illegal aliens, terrorists and narcotics traffickers, and detecting fraudulent documents, alien smuggling, false claims to citizenship and other fraud.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Cases received for examination of fraudulent documents * (Air and Sea).....	1,189	1,210	1,210	1,210

*Includes Photophone cases. The use of the photophone at the Forensic Document Laboratory plays a critical role in the detection of fraudulent international travel documents.

Activity: Citizenship and Benefits

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
International Affairs and Outreach.....	31	23	$5,300	31	31	$6,290	31	31	$6,290	...	...	...

LONG-RANGE GOAL: Coordinate and implement overseas enforcement initiatives directed against illegal immigration, fraud and related activities. Establish beneficial liaison with host governments, United States agencies and others to ensure mission-related information sharing.

MAJOR OBJECTIVES:

Maintain established pre-clearance sites in overseas locations throughout the world.

Conduct training for representatives of foreign carriers and immigration authorities on the detection of fraudulent documents.

Coordinate with United States missions abroad and represent United States immigration policy interests and concerns to host governments, international organizations, and private voluntary agencies.

Establish relationships to encourage the collection and dissemination of information of importance to the United States.

Conduct asylum interviews at ports-of-entry.

BASE PROGRAM DESCRIPTION:

The Refugee Act of 1980 created a statutory basis for asylum in the United States and made withholding of deportation of those who qualify mandatory rather than discretionary. While Congress, in passing the Act, established a statutory definition of "refugee", it did not legislate a specific method by which claims for asylum or withholding of deportation were to be adjudicated. Rather, the Congress directed that the Attorney General establish the necessary procedures for such adjudication. Interim regulations were published in June 1980 and remained in effect until superseded by new asylum regulations signed by the Attorney General, were published as a final rule in the Federal Register on July 27, 1990, and took effect on October 1, 1990.

Asylum interviews can only be conducted by members of the Asylum Officers Corps (AOC). The Asylum Officers are centrally managed from the INS Headquarters and are located at seven sites throughout the country and are funded by the Immigration Examinations Fee account. These officers also travel throughout the nation performing asylum interviews. Support activities at the seven sites and Headquarters are provided by clerical personnel who perform data updates, mail, file, and correspondence work. A quality control function is performed by supervisory personnel located on site and by Asylum Officers at Headquarters.

Congressional action on the Administration's 1994 Immigration Initiative added 31 positions, 23 workyears, and $5,300,000 to the Immigration User Fee account to provide funding for a specially trained group of officers with expertise in interviewing techniques, asylum law and principles and information pertaining to international conditions who will interview individuals arriving at ports-of-entry that claim asylum. Through the course of a detailed interview, the asylum officer will determine whether an individual has demonstrated "a credible fear of persecution" -- that is, if there is a substantial likelihood that he or she would qualify for refugee status, or be in danger if returned to his or her country of origin. This new statutory standard will allow the INS to ensure that bona fide refugees, or those who are fleeing persecution are provided protection, while improving the process for removal of individuals making frivolous claims.

To ensure the accuracy of decisions, determinations by asylum corps officers will be reviewed by an appellate officer employed by the Department of Justice and independent from the INS. This officer will have the discretion to review all aspects of the asylum officer's decision. Judicial review of an expedited exclusion order would be limited to a writ of habeas corpus.

Of the positions approved by Congress in 1994, 10 asylum officers and 3 clerical support staff will be located in a close proximity to JFK airport to process the large number of aliens who arrive at that airport with fraudulent or no documents and who claim asylum. The additional 18 positions will augment existing asylum offices and will enable them to handle, on an as needed basis, asylum claims at all other international airports and any boat arrivals.

Activity: Immigration Support

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	30	29	$3,050	30	29	$3,114	30	29	$3,114	...	...	...
Data and Communications.....	31	31	29,623	31	31	30,310	31	31	30,310	...	...	...
Information and Records Management	36	36	1,548	36	36	1,595	36	36	1,595	...	...	...
Construction and Engineering.....	2	2	128	2	2	130	2	2	130	...	...	...
Legal Proceedings...	25	23	1,978	25	23	2,028	25	23	2,028	...	...	...
Total.....	124	121	36,327	124	121	37,177	124	121	37,177	...	...	...

This activity includes resources for training of personnel, communications, automated data processing, field management, legal proceedings, and facilities management.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	30	29	$3,050	30	29	$3,114	30	29	$3,114	...	...	...

LONG-RANGE GOAL: To establish and maintain an employee development system in the Immigration User Fee Account that meets the needs of management and individual employees and complies with regulatory requirements.

MAJOR OBJECTIVES:
To provide administrative support to the basic training of all new recruits and advanced technical training for journeyman officers, and develop updated curricula for the basic and journeyman training programs associated with Immigration User Fee activities.

BASE PROGRAM DESCRIPTION: The function of the Training program is to provide the staff and the resources necessary to maintain an employee development program that meets the diverse training needs of this agency's workforce. Training requirements are identified annually and are revised, as needed, due to new regulations, legislation, or organization needs.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Training program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Workload Productions/Training				
Start:				
Immigration Officer Basic.....	912	710	894	680
Completions:				
Immigration Officer Basic.....	825	691	833	718

The workload estimate for 1995 includes completions for training begun in 1994.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and Communications.....	31	31	$29,623	31	31	$30,310	31	31	$30,310	...	...	...

LONG-RANGE GOAL: To establish, improve and maintain automated and electronic technical support to increase the capability, efficiency and effectiveness of INS's operational, administrative and managerial functions; provide a comprehensive and coherent framework for the acquisition and management of information systems resources pursuant to the Strategic Plan for Information Systems; provide the optimal level of automation support; provide communications to support all of INS's informational needs; produce and issue alien identification documents (ID) and provide an automated ID verification system; provide radio and electronics equipment and systems required by INS to support its law enforcement functions; promote the sharing of information with other Federal agencies to reduce the paperwork burden to both the public and INS; and provide technological guidance in support of all INS operations.

MAJOR OBJECTIVES:
Develop, implement and maintain the Interagency Border Inspection System (IBIS) at air and sea ports-of-entry, based on interagency system plans.

Ensure the cost effectiveness of new information systems through the use of contemporary techniques for quantifying and justifying automated data processing (ADP) based systems and databases related to Immigration User Fee programs.

Improve the quality, reliability, interconnection, maintenance, and accessibility of existing database systems related to the Immigration User Fee programs.

Improve the efficiency and effectiveness of voice and data communications related to the Immigration User Fee programs.

Provide office automation support for word processing, local tracking, analysis and electronic mail related to the Immigration User Fee programs.

Provide an effective equipment maintenance, replacement and upgrade program to ensure effective continuity of operation of data, communications and electronics capabilities related to the Immigration User Fee programs.

Implement the Information Architecture Study to design and develop improved automated data processing (ADP) based systems and data bases related to programs in the Immigration User Fee account.

BASE PROGRAM DESCRIPTION: The function of this program is to provide direct support to the Service's operational organizations as well as support functions in the areas of ADP and radio systems. This includes: 1) improving the effectiveness and efficiency of Service functions through the use of computer resources in information processing; 2) providing for the operation of data and communications networks; and 3) providing radio communications.

ACCOMPLISHMENTS AND WORKLOAD: The program's workload is best described in narrative form since program efforts directly contribute to increasing the productivity and effectiveness of operating programs. Accomplishments include the following:

I. ADP SYSTEMS

1. Systems Planning - An INS Information Architecture study completed in 1991 provides the framework for improving, designing and developing agency information systems. A parallel analysis, the Office Automation and Access project, defines the basic platform of equipment, networks, and communication links to support access to and use of automated systems. In 1992, the Service prepared economic analyses and implementation plans in support of the end user tier of the Information Systems Architecture, and prepared plans for a Strategic Prototyping Center to test technical solutions for the mid-level tier of the Architecture.

INS initiated the Personal Workstation Acquisition Contract (PWAC) to procure equipment/software for the Office Automation/End User Tier Automation Platform, the essential underlying technology base that must be implemented in INS offices to provide access to INS databases. In 1993, work continued on the PWAC contract process with plans to award the contract in 1994.

2. Systems Operation - The Non-Immigrant Information System (NIIS) currently maintains over 90 million records and supports the Visa Waiver program as well as other mission operations. The system has been expanded to support 250 INS sites. The redesign of NIIS is being accomplished in conjunction with the development of the electronic Master Alien Record.

The Interagency Border Inspection System (IBIS) effort has been operational since 1989, involving the Department of State, the U.S. Customs Service and INS. At the end of 1993, 52 air and 64 land ports-of-entry were completed at approximately 158 locations utilizing single workstations or full local area network configurations. Airports with access to IBIS now process approximately 95 percent of all commercial airport traffic. During 1994, implementation plans include: installations at 15 air and 45 land ports (75 locations), major upgrades and expansions of IBIS at the Honolulu International Airport and Atlanta Hartsfield International Airport. (Funds for IBIS at air and sea ports of entry are received from the Immigration User Fee account; funds for land border ports-of-entry are received from the Salaries and Expenses account.)

II. DATA COMMUNICATIONS

The Service's data communications network (INSINC) has been expanded to support 350 sites in 1993, allowing for immediate access to INS systems on the Justice Data Center's mainframe computers including international pre-inspection sites at Vancouver, Edmonton, Calgary, Toronto, and Montreal in Canada, and at Shannon, Ireland.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information and Records Management	36	36	$1,548	36	36	$1,595	36	36	$1,595	...	...	...

LONG-RANGE GOALS: To provide status and general information from hard copy and automated records in a timely and professional manner to the public and other Government agencies. Administer Servicewide records programs designed to provide support to INS operating components and other United States law enforcement agencies, as well as State and local governments seeking the status of aliens under the provisions of the Immigration and Nationality Act. Ensure the reliability of automated and manual data generated by INS information systems; and ensure efficient records management in the life cycle of records.

MAJOR OBJECTIVES:
Provide analytical and technical expertise on manual and electronic record collection, capture, storage and maintenance, processing and retrieval as required to support Immigration User Fee account activities.

Improve the control, accountability and availability of INS records through increased efforts to provide support to the Debt Management program as related to Immigration User Fee account activities.

Contribute to the development of the most efficient/cost effective use of manual and automated records systems in support of the Debt Management program as related to Immigration User Fee account activities.

BASE PROGRAM DESCRIPTION: The functions of this program are to: (1) provide responses to inquires from local, State and Federal agencies; and the various branches of government, by telephone, in-person, and in writing; (2) maintain alien records and files from which data may be readily obtained to respond to requests from both inside and outside the Service; (3) recommend guidelines, policies and procedures and responses to records requests; and (4) compile statistics for use in preparing regular and special reports about Service operations and work accomplishments.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Records Services--				
Completions:				
Files Created.....	28,522	36,000	36,000	36,000
Records Verification....	24,695	32,000	32,000	32,000

Item	1992	1993	Estimate 1994	Estimate 1995
Files Transfer & Request from Others/FRC's.....	35,961	40,000	40,000	40,000
Files Connection.....	67,404	70,000	70,000	70,000
Refiles.....	85,868	96,000	96,000	96,000
Mail Processing.....	276,799	320,000	320,000	320,000

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering.....	2	2	$128	2	2	$130	2	2	$130	...	...	...

Long Range Goal: To provide adequate facilities for all INS operating units supported by the Immigration User Fee account so that they can fulfill their requirements to administer the Immigration and Nationality Act.

MAJOR OBJECTIVES:
Review plans associated with the construction, alteration, and maintenance of effective, safe, energy conserving, and attractive facilities associated with programs funded by the Immigration User Fee account.

BASE PROGRAM DESCRIPTION: The function of this program is to provide for the acquisition, design, construction, alteration, repair, maintenance, and management of all buildings, structures, and facilities for which the Service is the owning or leasing agency. Space is acquired through the General Services Administration (GSA), by lease, and through assignment by airport authorities. New inspection facilities are coordinated as necessary with U.S. Customs Service, Public Health Service, Department of Agriculture, GSA, State, county, local, airport, and foreign authorities.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Construction and Engineering program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Airport Projects.....	30	25	30	28

The airport projects consist of renovations of existing facilities, review of plans for new facilities, and expansion of existing facilities.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings...	25	23	$1,978	25	23	$2,028	25	23	$2,028	...	...	...

LONG-RANGE GOAL: To provide legal representation for the United States Government in all cases and matters involving exclusion proceedings and INS's debt collection activities.

MAJOR OBJECTIVES:
To provide INS legal support and representation at exclusion proceedings with emphasis on excluding criminal aliens apprehended as a result of programs supported by the Immigration User Fee account.

To provide legal support to the Office of Finance to collect debts owed to the United States Government.

BASE PROGRAM DESCRIPTION: INS attorneys represent the Service before Immigration Judges, the Board of Immigration Appeals, the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and boards of contract appeals. The program provides litigation support in agency litigation being conducted in United States District Courts, Courts of Appeals, and the Supreme Court. Attorneys provide advice to the Headquarters staff and field officials on legal matters arising at all levels of agency operations associated with programs supported by the Immigration User Fee account.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Exclusion Activities				
Exclusion Appearances....	22,516	38,482	38,500	38,500
Cases Prepared.....	24,427	11,883	11,900	11,900
Preparation of Legal Briefs and Memos.....	3,068	1,018	1,020	1,020
Legal Consultations.....	14,216	7,098	7,100	7,100
Total Work Units.....	64,227	58,481	58,520	58,520
Debt Collection Program				
Collection of overdue debts ($000).....	$3,720	$5,140	$4,500	$4,500

Activity: Program Direction

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration....	75	75	$9,089	75	75	$9,612	107	91	$11,897	32	16	$2,285

This activity provides for the overall administration and management of the Service.

LONG-RANGE GOAL: To formulate and coordinate meaningful and consistent management policies and direction in the Immigration User Fee account throughout all levels of the Service; to provide management direction to field units that implement major policy and management decisions for more than one program; and to provide the full range of administrative support services to all programs on a timely basis in compliance with laws, policies, and external and internal requirements.

MAJOR OBJECTIVES:
Provide for continuity, and control of the overall management and administration of INS.

Direct implementation of Servicewide policy and ensure its effective and uniform application.

Provide management direction to field units on implementation of INS policy and initiatives.

Improve agency responsiveness through continued enhancement of management systems including:

- Maintaining and refining delegations of authority and requirements for accountability for National policy direction, regional implementation, and district and sector execution, including appropriate control of resources;

- Continuing to emphasize and institutionalize INS's system of goals and objectives with further integration between mission and priority planning and system of resource allocation and control; and continuing rapid development of information systems to meet the needs of management and immigration policy formulation.

Provide program direction for the personnel, equal opportunity, budget, accounting, property management, and support services.

Provide policy guidance and review of fee supported activities of the Service.

Ensure integrity of fee supported activities through audits and program reviews.

Develop and monitor policies and procedures for secure receipt and internal processing of payments to INS, and ensure prompt and secure movement of receipts to appropriate accounts.

Provide vehicle support services.

Provide for the full range of security, safety and health support activities.

BASE PROGRAM DESCRIPTION: The functions of this program are: (1) To provide management direction and support for the implementation and operation of regional and field activities and functions to those managers and supervisors who are responsible for and exercise authority over multiple programs; (2) To execute the provisions of the Immigration and Nationality Act and related policies through the development and implementation of immigration programs and the management of resources; and (3) To provide for the development, implementation, direction, operation and evaluation of administrative support systems and services that meet internal operational and managerial needs and externally mandated requirements. Included in this program are duties related to providing executive direction and control of the Service; furnishing accurate and prompt responses to Congressional and public inquiries; administering and maintaining effective budgeting and financial management systems, performing audits, conducting internal investigations, providing informational responses to frequent inquiries of GAO, OIG, OMB and Departmental offices, and developing and evaluating policies and systems to improve the effectiveness of Service programs. The major administrative functions within the program include: personnel, budget, accounting, equal employment opportunity, procurement, property management, fleet management, security and health, and other miscellaneous general services that support all programs funded by the Immigration User Fee account INS.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Management and Administration program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Personnel:				
Personnel Actions.....	12,200	16,315	16,315	16,603
Number of Persons Hired	450	400	450	750
Position classification requests.....	236	319	319	319
Position Review Requests	1,386	2,211	2,211	2,236
Formal Grievances.....	60	65	65	75
Adverse and Disciplinary Actions.....	165	170	170	180
Unfair Labor Practice Charges.....	53	55	55	60
Finance:				
Bills.....	4,800	5,000	5,150	5,250
Vouchers.....	29,000	31,000	32,000	32,500

Item	1992	1993	Estimate 1994	Estimate 1995
Equal Employment Opportunity Office:				
On-site evaluations..	105	500	500	750
Training-Supervisors, Employees and Collateral Duty employees.....	77	192	192	259
Number of Complaints Filed	28	80	80	80

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration.....	75	75	$9,612	107	91	$11,897	32	16	$2,285

An increase of 32 positions, 16 workyears, and $1,215,000 is requested to expand administrative support for programs funded under the Immigration User Fee account. District Offices would receive 26 positions, 12 workyears, and $814,000 which would be committed to administrative support areas such as personnel, procurement, accounting, and property management. Studies of the INS administrative infrastructure, performed by the Justice Management Division and by the Service, have revealed that there is a large gap between the number of staff required to provide essential administrative and management support services and the number of staff available to provide these services. Currently, this gap is being filled by detailing officer corps personnel to assist with these duties. This is a costly expedient in view of the impact of the diversion of valuable personnel from enforcement and service-related duties.

Three positions, 2 workyears and $200,000 would be committed to improving accountability and control of Immigration User Fee account resources. The growth in resources in the account has not been accompanied by similar growth in resources committed to financial and management systems. This increase will correct the deficiency in oversight and control functions. It will directly affect efforts to combat waste, fraud and abuse in program operations supported by Immigration User Fee account resources and improve accountability.

Three positions, 2 workyears and $201,000 are requested to expand resources committed to the Office of Equal Employment Opportunity (OEEO). The resources will address workload which has expanded as a direct result of the growth in the number of personnel supported by the Immigration User Fee account. Federal regulations require the investigation of complaints within 180 calendar days of filing. The INS has been seriously deficient in its compliance with this rule. The resources will allow complaints filed by User Fee-supported staff to be investigated in the required time frame, and will permit the OEEO to develop and implement a viable affirmative employment program which will enhance minority recruitment efforts as well as assist managers and supervisors in complying with Federal EEO requirements.

An increase of $1,070,000 for the vehicle replacement base is requested to acquire and equip 87 vehicles that exceed the established vehicle replacement schedules. The requested resources will enable INS to improve the replacement timeframe for the vehicle fleet in the Immigration User Fee account and maintain a reasonable replacement cycle.

Immigration and Naturalization Service
Immigration User Fee

Financial Analysis – Program Investments
(Dollars in thousands)

Item	Border Management				Infrastructure Improvements				Total, Program Investments	
	Controlling Our Border				Staffing Needs		Vehicle Fleet			
	Inspections		Detent & Deport		Mgmt & Admin		Mgmt & Admin			
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS–13	...	...	...	...	6	$292	...	...	6	$292
GS–9	136	$3,840	...	...	...	...	...	...	136	3,840
GS–7	...	...	...	...	26	600	...	...	26	600
Locality Pay	...	115	...	...	...	27	...	...	...	142
Total positions and annual rate	136	3,955	...	...	32	919	...	...	168	4,874
Lapse (+/–)	–68	–2,024	...	...	–16	–471	...	...	–84	–2,495
Other than Permanent	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	30	1,338	...	...	...	...	...	...	30	1,338
Total workyears and personnel Compensation	98	3,269	...	...	16	448	...	...	114	3,717
Personnel benefits		869		...		140		...		1,009
Travel and transportation of persons		503		...		57		...		560
GSA Rent		1,211		...		286		...		1,497
Comm., utilities, and misc charges		89		...		21		...		110
Other services		1,831		$8,000		102		...		9,933
Supplies and materials		289		...		54		...		343
Equipment		598		...		107		$1,070		1,775
Total program workyears and obligations changes requested, 1995	98	8,659	...	8,000	16	1,215	...	1,070	114	18,944

Immigration and Naturalization Service
Immigration User Fee
Priority Ranking
Fiscal Year 1995

Priority/Program	Enhancement	Program Increase Pos.	WY	($000)	RANKING
PRIORITY II: BORDER MANAGEMENT					
Detention & Deportation	– Increase Detention Capacity at Airports NY area contract bedspace 300 for full year	...	...	$8,000	1
Inspections	– Staffing at Airports	136	68	8,659	2
PRIORITY III: INFRASTRUCTURE IMPROVEMENTS					
Mgmt & Administration	– Provide staffing and support to field offices	32	16	1,215	3
Mgmt & Administration	– Vehicle Fleet replacement	...	...	1,070	4
	Total	168	84	10,944	

Immigration and Naturalization Service
Immigration User Fee
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Appropriation Enacted	1994 Appropriation Anticipated	1995		
			Base	Change	Total
Attorneys (905)	18	18	18	...	18
Asylum Officer (930)	...	24	24		24
Detention and Deportation Officer (1801)	137	179	179	...	179
Detention Enforcement Officer (1802)	...	45	45	...	45
Criminal Investigators (1811)	83	83	83	...	83
Immigration Inspectors (1816)	2,185	2,383	2,383	136	2,519
Engineering and Architecture (800–899)	2	2	2	...	2
General Administrative and Clerical (300–399)	134	170	170	26	196
Personnel Management (200–299)	34	34	34	3	37
Accounting and Budget (500–559)	4	4	4	3	7
Total	2,597	2,942	2,942	168	3,110
Washington	16	58	58	...	58
U.S. Field	2,441	2,720	2,720	168	2,888
Foreign Field	140	164	164	...	164
Total	2,597	2,942	2,942	168	3,110

Immigration and Naturalization Service
Immigration User Fee
Summary of Change 1994 – 1995
(Dollars in thousands)

	Perm. Pos.	Work–years	Amount
1994 Appropriation anticipated	2,942	2,943	$287,012
Adjustments to base:			
Mandatory increases:			
1995 Pay Raise	...	...	2,503
1995 Locality Pay	...	...	652
Within–grade increases	...	...	1,764
Annualization of 1994 Positions	...	122	9,760
Foreign Allowance	...	...	48
Accident Copmpensation	...	...	276
Unemployment Compensation	...	...	56
GSA Rent	...	...	315
Distributed Administrative Support (DAS)	...	...	7
General Pricing Level Adjustments	...	...	2,011
Total, mandatory increases	...	122	17,392
Decreases:			
One Less Compensable Day	...	...	–434
Nonrecurring costs of equipment and background investigations for new positions approved in 1994	...	...	–1,336
Technical adjustment to Inspections program FTE level	...	–204	...
Total, decreases	...	–204	–1,770
1995 Base	2,942	2,861	302,634
1995 Program Investments	168	84	18,944
1995 Request	3,110	2,945	321,578

Immigration and Naturalization Service
Immigration User Fee
Justification of Adjustments to the Base
(Dollars in thousands)

Mandatory Increases:	Work-Years	Amount
1995 Pay Raise.....	...	$2,503
This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $2,503,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($1,986,000 pay and $517,000 benefits = $2,503,000).		
1995 Locality Pay.....	...	652
The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, through no additional 1995 resources are requested in the budget. for 1994, locality costs for three-quarters of the year have been absorbed in the general expense areas. This was a permanent base reduction. For 1995, one-quarter year costs totalling $652,000 is required for Locality pay.		
Within-Grade Increase	...	1,764
This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $1,389,000 for pay and $375,000 for benefits.		
Annualization of 345 additional positions approved in 1994.....	122	9,760
This provides for the annualized costs of 164 positions approved in the 1994 President's budget and 103 positions approved in the 1994 President's Immigration Initiative for the Inspections and Detention & Deportation programs. In addition, annualization costs are included for 78 positions received through other conference actions on our 1994 appropriation for the Detention & Deportation and International Affairs & Outreach programs.		

	Approved 1994 Increases	Annualization Required
Annual salary rate of 345 approved positions.....	$7,148	$3,572
other personnel compensation.....	2,151	1,527

Less Lapse (50%)	3,572	...
Net Compensation	9,299	5,099
Associated employee benefits	3,178	1,252
Travel	18,763	2,193
GSA Rent	1,632	571

	Approved 1994 Increases	Annualization Required
Other rent	500	...
Communications/Utilities	218	5
Printing & Reproduction	...	218
Other Services	4,458	422
Supplies/Materials	691	...
Equipment	2,049	...
Total costs subject to annualization	40,788	9,760

	Work-Years	Amount
Foreign Allowance Allowances for Government employees in foreign areas are determined by the Department of State (DOS). The requested increase of $48,000 provides five-percent over the obligations projected for 1994.	...	$48
Accident Compensation This increase reflects the billing provided by the Department of Labor (DOL) for the actual costs in 1993 of employees' accident compensation. This increase is required to meet our commitment to DOL.	...	276
Unemployment Compensation This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $56,000 is required to meet our commitment to DOL.	...	56
General Services Administration (GSA) rent GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $315,000 is required to meet our commitment to GSA.	...	315
Distributed Administrative Support (DAS) Under the Foreign Affairs Administrative Support agreement an annual charge is made by the DOS for administrative support items. The amount of this charge is determined by the DOS. DOS advises that a 10-percent increase in foreign operations costs is anticipated. The increase of $7,000 is based on a 1994 base availability.	...	7

	Work-Years	Amount
General pricing level adjustments..... This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	2,011
Total Mandatory Increases.....	122	$17,392
Decreases:		
One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $340,000 for pay and $94,000 for benefits.	...	-434
Nonrecurring costs of 345 new positions anticipated in 1994..... Nonrecurring costs of 164 positions approved in the 1994 President's budget and 103 positions approved in the 1994 President's Immigration Initiative. In addition, nonrecurring costs of 78 positions approved in the conference action on our 1994 appropriation is included. These include nonrecurring costs for full-field investigations and personal equipment and transfers.	...	-1,336
Adjustments in workyears..... Based on the Service's maintaining a rate of 99.7 percent compliance with the 45 minute inspection standard, coupled with continued productivity enhancements, a reduction of 204 workyears is requested for the Inspections program.	-204	...
Total decreases.....	-204	-1,770
Total, adjustments to the base.....	-82	15,622

Immigration and Naturalization Service
Immigration User Fee
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Appropriation Anticipated Positions & Workyears	1994 Appropriation Anticipated Amount	1995 Request Positions & Workyears	1995 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
GS-14, $56,627-73,619	18		18		18		...	
GS-13, $47,920-62,293	41		46		52		6	
GS-12, $40,298-52,385	133		166		166		...	
GS-11, $33,623-43,712	6		29		29		...	
GS-9, $27,789-36,123	2,192		2,365		2,501		136	
GS-7, $22,717-29,530	1		46		72		26	
GS-6, $20,443-26,572	158		158		158		...	
GS-5, $18,340-23,839	42		108		108		...	
GS-4, $16,393-21,307	6		6		6		...	
Locality Pay	...		...		...		...	
1995 Pay Raise	...		...		...		...	
Total, positions	2,597	$80,078	2,942	$92,975	3,110	$104,032	168	$11,057
Pay above stated annual rates	...	...	...	...	...	...	...	...
Lapses	-397	-6,128	-200	-7,093	-366	-10,124	-166	-3,031
Savings due to lower pay scales for part of year	...	-1,217	...	-517	...	-662	...	-145
Net full-time permanent	2,200	72,733	2,742	85,365	2,744	93,246	2	7,881
Other than permanent:								
Other part-time and intermittent employment	228	5,453	201	10,819	201	11,062	...	243
Other personnel compensation:								
Overtime	114	3,534	127	3,548	134	3,871	7	323
Administratively uncontrollable overtime	24	1,354	24	1,422	24	1,445	...	23
1931 Act Overtime	861	26,361	1,051	32,024	1,108	35,388	57	3,364
Other compensation	52	1,562	52	1,507	52	1,531	...	24
Special personal services payments	...	44	...	11	...	11	...	...
Total, workyears and personnel compensation	3,479	111,041	4,197	134,696	4,263	146,554	66	11,858
Average GS/GM Salary		($30,835)		($31,602)		($33,451)		
Average GS/GM Grade		(9.00)		(8.90)		(9.00)		

Immigration and Naturalization Service
Immigration User Fee
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	2,252	$72,733	2,742	$85,365	2,744	$93,575	2	$8,210
11.3 Other than permanent	228	5,453	201	10,819	201	11,103	0	284
11.5 Other personnel compensation	1,051	32,811	1,254	38,501	1,318	42,382	64	3,881
11.8 Special personnel services payments	...	44	...	11	...	11	...	...
Total	3,531	111,041	4,197	134,696	4,263	147,071	66	12,375
12.1 Personnel benefits		28,511		35,147		38,714		3,567
13.0 Benefits to former personnel		175		1,304		1,304		...
21.0 Travel and transportation of persons		3,938		26,088		28,952		2,864
22.0 Transportation of things		654		2,695		2,765		70
23.1 GSA rent		4,137		6,328		8,711		2,383
23.2 Rental payments to others		895		595		597		2
23.3 Comm., utilities and misc. charges		5,323		4,096		4,314		218
24.0 Printing and reproduction		579		2,738		3,027		289
25.0 Other services		54,832		75,422		81,888		6,466
26.0 Supplies and materials		15,264		4,035		4,444		409
31.0 Equipment		1,627		2,688		3,191		503
42.0 Insurance claims and indemnities		5		..		...		...
44.0 Refunds		106		...		..		...
91.0 Unvouchered		14		...		...		...
Total obligations	3,531	227,101	4,197	295,832	4,263	324,978	66	29,146
Relation of obligations to outlays:								
Obligated balance, start-of-year		..				...		
Adjustments in unexpired accounts		-2,935		...		...		
Outlays		224,166		295,832		324,978		

Note. Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed.

Department of Justice
Immigration and Naturalization Service
Immigration Examinations Fee Account
Estimates for Fiscal Year 1995

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Immigration & Naturalization Service

Immigration Examinations Fee Account

Summary Statement

Fiscal Year 1995

For 1995, the Immigration and Naturalization Service is requesting program investments totalling 209 positions, 153 workyears and $15,215,000 for the Examinations Fee account. With these investments, total program resources for 1995 would be 4,295 positions, 4,163 workyears and $353,216,000.

The Immigration Examinations Fee account was established in the Department of Justice Appropriations Act, 1989 (P.L. 100-459). Section 209 of the Act amends 8 U.S.C. 1356 by establishing a separate account into which the Attorney General may deposit adjudication fees collected under the regulations governing INS. All deposits to the account are paid out of this appropriation for expenses in providing immigration adjudication and naturalization services. The resources to be made available are used for adjudication of applications and petitions for benefits under the Immigration and Nationality act; asylum, refugee, and parole and overseas activities; adjudication-related work performed in other Service and non-Service programs; and to provide necessary support to all of these activities.

In action taken by Congress in the Department of Justice Appropriations Act, 1994 (P.L. 103-107), Congress directed the INS to add 200 immigration inspectors at the land border ports-of-entry in 1994 to be funded from fees which are proposed to be collected for the processing of applications for benefits at land border ports. The receipts which will be generated by charging these fees will be deposited to the Immigration Examinations Fee account, and will in turn be used to reimburse the appropriation for expenses incurred to provide these inspection services at land border ports-of-entry.

Budget Planning

The budget planning process at INS led to the development of three major priorities for the 1995 budget. These three priorities are: Improving Service to the Public, Strengthening Control of our Borders, and Addressing Infrastructure Needs to support agency operations. These three priorities cross all major INS budget accounts. Investments requested in the Examinations Fee account include seven initiatives which address two of the three priorities. In the development of the seven initiatives, INS has recognized the importance of providing those who are paying fees for these services the quality of service they deserve. This budget request as well as the budget requests for the Immigration User Fee account and the Land Border Inspections Fee account reflects INS' efforts to address this important concept. The priority of improving service to the public is difficult to achieve without adequate infrastructure support. Thus, this budget request includes enhanced funding to address infrastructure needs.

Improving Service to the Public

Technology plays a critical role in INS efforts to Improve Service to the Public. An investment of $1,000,000 will fund the development of an electronic interface for the Computer Linked Application Information System (CLAIMS) with the Department of State (DOS). The interface will be used to process INS requests for visa

availability, to transmit visa petition approvals, and to transmit cables to DOS for subsequent issuance to consulates.

Another technology related investment is $500,000 to enhance the Automated Call Distribution (ACD) systems at the two INS Telephone Service Centers which are located in New York City and Los Angeles. The enhanced ACD systems will provide for a more even incoming call distribution to information officers on duty at the telephone centers, which will, in turn, reduce customer holding time and long distance telephone charges.

A final technology related investment is $1,400,000 for the adaptation of INS Passenger Accelerated Service System (INSPASS) technology to specific land border environments. The implementation of this technology at several small ports will allow extended opening hours without the need for increased staff. Funding for this enhancement will come from fees which will be collected for the processing of applications for benefits at land border ports-of-entry. This enhancement will be used to augment the 200 immigration inspectors added by Congress in 1994 in the Immigration Examinations Fee account at land border ports-of-entry.

Service to the public will be further improved through an investment request of $1,540,000 which will provide for the expansion of contract services for the transcription, distribution, and bulk warehouse activities related to operations at the Service's two Forms Transcription and Distribution Centers. These Forms Centers transcribe telephonic requests for INS forms which callers make through local Immigration Information systems, assemble forms packages and mail them to requestors. Requestors are spared the inconvenience of making personal visits to INS field offices to pick-up needed forms.

The largest investment under the Priority of Improving Service to the Public is a request for 163 positions, 130 workyears and $8,840,000 for the asylum program. The requested investment will enhance the Service's ability to provide for the prompt adjudication of asylum claims, thus benefiting those asylum seekers with legitimate claims, and, at the same time, discouraging those who would file frivolous claims as a means of extending their stay in this country. It is anticipated that this investment will be funded through new fees for initial asylum applications.

An investment of four positions, two workyears and $250,000 is requested for improvements to INS' community outreach capabilities.

Infrastructure Support

Investments of 42 positions, 21 workyears and $1,685,000 are requested to Address Infrastructure Needs. Infrastructure staffing requirements have been identified for field support, accountability and control, and EEO complaint adjudications. The INS has identified weaknesses in these three areas as has the Department's Inspector General and the General Accounting Office. This requested investment will address the Examinations Fee-related responsibilities of this strategy.

Included in the above amount is $109,000 to maintain an orderly vehicle replacement cycle for programs funded by the Examinations Fee account.

Revenue Assumptions

The 1994 and 1995 receipt projections include both adjudication and naturalization fees and proposed fees for

services performed at land border ports-of-entry.

The 1994 receipts level assumes a 7.5 percent fee increase effective June 1, 1994 and an overall 6.3 percent increase in the number of applications is expected from 1993 to 1994. Although the volume of most applications will increase by approximately five percent, the volume of several applications, such as the Special Agricultural Worker (SAW) and Family Unity applications, is projected to decrease by 50 percent and the number of naturalization applications is projected to increase by approximately 25 percent. The 1994 receipt estimate also includes $22,620,000 in revenue from the green card replacement program and $8,800,000 in revenue from proposed fees for services performed at land border ports-of-entry. The green card replacement program provides a grace period in which old cards remain valid until August 20, 1994. It is estimated that 312,000 applicants will apply in 1994.

In 1995, an overall decrease of 4.6 percent is expected in the number of applications received by the Adjudications and Naturalization program. This decrease results from the expiration of the green card replacement program grace period and an overall increase of 1.9 percent in other applications. Also included in the 1995 receipts is $17,620,000 expected from full-year implementation of the fees for services performed at land border ports-of-entry and $11,224,000 that would result from fees proposed to be assessed on asylum applicants for both initial application for asylum and initial application for employment authorization.

Immigration and Naturalization Service
Immigration Examinations Fee
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Request			1994 Reprogramming			1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Enforcement									
a. Inspections	241	238	15,834	200	50	$7,631	441	288	23,465
b. Investigations	100	100	7,525	...	...	...	100	100	7,525
c. Intelligence	9	9	629	−1	−1	−81	8	8	548
Subtotal	350	347	23,988	199	49	7,550	549	396	31,538
Citizenship and Benefits									
a. Adjudications and Naturalization	2,317	2,098	152,629	−165	−110	−7,097	2,152	1,988	145,532
b. International Affairs and Outreach	474	496	44,758	−63	−33	−3,170	411	463	41,588
Subtotal	2,791	2,594	197,387	−228	−143	−10,267	2,563	2,451	187,120
Immigration Support									
a. Training	33	25	4,518	−11	−5	−1,369	22	20	3,149
b. Data and Communications	113	94	45,171	−41	−28	−10,315	72	66	34,856
c. Information and Records Mgmt	787	812	60,059	−53	−27	−8,766	734	785	51,293
d. Construction and Engineering	1	1	178	...	...	...	1	1	178
e. Legal Proceedings	38	34	3,125	11	8	639	49	42	3,764
Subtotal	972	966	113,051	−94	−52	−19,811	878	914	93,240
Program Direction									
a. Management and Administration	158	128	13,103	−62	−32	−2,849	96	96	10,254
Total	4,271	4,035	347,529	−185	−178	−25,377	4,086	3,857	322,152

1994 President's Request. Includes the permanent effect of the 1993 reprogramming on 1994.

1994 Reprogramming. Lower receipt levels required INS to eliminate Congressional approved investments and operate at base 1994 levels. In addition, items in change column include enhancements associated with new land border service fees and increases in other uncontrollable costs such as reimbursements to the courts and the FBI which are critical to the successful operation of the program. Congressional notification will be transmitted through a downward adjustment fee letter.

Immigration and Naturalization Service
Immigration Examinations Fee
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	WY	Amount
Adjustments to base:			
1994 Approriation Anticipated	4,086	3,857	$322,152
Annualization and Nonrecurring costs of 1994 positions	...	153	5,343
Mandatory increases	...	...	10,506
1995 Base	4,086	4,010	338,001

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
Estimates by budget activity	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
1. Enforcement	549	396	$31,538	549	546	$38,121	549	546	$39,521	...	...	$1,400
2. Citizenship and Benefits	2,563	2,451	187,120	2,563	2,451	193,250	2,730	2,583	202,340	167	132	9,090
3. Immigration Support	878	914	93,240	878	917	95,736	878	917	98,776	...	...	3,040
4. Program Direction	96	96	10,254	96	96	10,894	138	117	12,579	42	21	1,685
Total	4,086	3,857	322,152	4,086	4,010	338,001	4,295	4,163	353,216	209	153	15,215

Note. Obligations shown for 1995 differ from the President's Budget since locatlity pay is not being absorbed.

Immigration and Naturalization Service
Immigration Examinations Fee
Summary of Requirements
(Dollars in thousands)

Financing	1993 Actual	1994 Appropriation Anticipated	1995 Request
Unappropriated balance, start of year	$49,715	$29,534	$26,669
Receipts	274,171	319,287	345,519
Total available for appropriation	323,886	348,821	372,188
Appropriation	−294,352	−322,152	−353,216
Unappropriated balance, end of year	29,534	26,669	18,972
Obligations	299,795	322,152	353,216
Recovery of prior year obligations	−5,443	...	...
Total requirements	294,352	322,152	353,216
Obligations by program			
Enforcement:			
Inspections	7,505	23,465	31,162
Investigations	7,351	7,525	7,792
Intelligence	500	548	567
Subtotal	15,356	31,538	39,521
Citizenship and Benefits:			
Adjudications and Naturalization	132,933	145,532	150,460
International Affairs and Outreach	38,625	41,588	51,880
Subtotal	171,558	187,120	202,340
Immigration Support:			
Training	4,544	3,149	3,229
Data and Communications	46,146	34,856	36,567
Information and Records Management	45,833	51,293	54,997
Construction and Engineering	173	178	183
Legal Proceedings	3,038	3,764	3,800
Subtotal	99,734	93,240	98,776
Program Direction:			
Management and Administration	13,147	10,254	12,579
Total obligations	299,795	322,152	353,216

Notes.
Obligations shown for 1995 differ from the President's budget since locality pay is not being absorbed.

Receipt estimates for 1994 and 1995 have been updated to reflect more recent workload levels and more recent assumptions on implementation of a revised fee schedule. The obligations by program for 1994 and 1995 have not yet been adjusted accordingly. These requirements are currently being reexamined and will be adjusted to be consistent with anticipated resource availability.

Immigration and Naturalization Service
Immigration Examinations Fee
Summary of Resources by Program
(Dollars in thousands)

Estimates by program	1993 As Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Pos	WY	Amount	Pos.	WY	Amount	Pos	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos	WY	Amount
Enforcement:																		
Inspections	241	165	$10,840	241	154	$7,505	441	288	$23,465	441	438	$29,782	441	438	$31,162		..	$1,400
Investigations	100	100	7,275	100	92	7,351	100	100	7,525	100	100	7,792	100	100	7,792		.	...
Intelligence	8	8	539	8	7	500	8	8	548	8	8	567	8	8	567	..	...	...
Subtotal	349	273	18,654	349	253	15,356	549	396	31,538	549	546	38,121	549	546	39,521		...	1,400
Citizenship and Benefits:																		
Adjudications and Naturalization	2,153	2,164	151,531	2,153	2,124	132,933	2,152	1,988	145,532	2,152	1,988	150,210	2,156	1,990	150,460	4	2	250
International Affairs and Outreach	411	470	40,087	411	361	38,625	411	463	41,588	411	463	43,040	574	593	51,880	163	130	8,840
Subtotal	2,564	2,634	191,618	2,564	2,485	171,558	2,563	2,451	187,120	2,563	2,451	193,250	2,730	2,583	202,340	167	132	9,090
Immigration Support:																		
Training	22	20	3,433	22	43	4,544	22	20	3,149	22	20	3,229	22	20	3,229		.	...
Data and Communications	72	106	49,894	72	76	46,146	72	66	34,856	72	66	35,567	72	66	36,567			1,000
Information and Records Management	735	855	57,164	735	745	45,833	734	785	51,293	734	785	52,957	734	785	54,997			2,040
Construction and Engineering	1	1	173	1	1	173	1	1	178	1	1	183	1	1	183		..	..
Legal Proceedings	38	38	3,069	38	37	3,038	49	42	3,764	49	45	3,800	49	45	3,800	..	...	...
Subtotal	868	1,020	113,733	868	902	99,734	878	914	93,240	878	917	95,736	878	917	98,776			3,040
Program Direction																		
Management and Administration	94	82	13,410	94	72	13,147	96	96	10,254	[illegible]	96	10,894	138	117	12,579	42	21	1,685
Total	3,875	4,009	337,415	3,875	3,712	299,795	4,086	3,857	322,152	4,086	4,010	338,001	4,295	4,163	353,216	209	153	15,215
Total Workyears		4,009			3,712			3,857			4,010			4,163			153	
Other Workyears																		
Holiday		31			31			31			31			31				
Overtime:																		
AUO		49			49			49			49			49				
Other		284			284			292			316			316				
Total compensable workyears		4,373			4,076			4,229			4,406			4,559			153	

Note. Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed

Immigration and Naturalization Service
Immigration Examinations Fee Account
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

Activity: Enforcement

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	441	288	$23,465	441	438	$29,762	441	438	$31,162	...	...	$1,400
Investigations.....	100	100	7,525	100	100	7,792	100	100	7,792	...	...	...
Intelligence.....	8	8	548	8	8	567	8	8	567	...	...	...
Total.....	549	396	31,538	549	546	38,121	549	546	39,521	...	...	1,400

This budget activity contains resources dedicated to processing and adjudicating applications for immigration benefits. This activity includes resources for the investigation and apprehension of aliens who have committed major criminal fraud offenses, narcotics trafficking, subversion, terrorism, and alien smuggling and other serious violent criminal activities. Also included is the capacity to examine and analyze documents to assist in the identification, investigation and prosecution of major conspiracies which provide fraudulent documents to aliens.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	441	288	$23,465	441	438	$29,762	441	438	$31,162	...	...	$1,400

LONG-RANGE GOAL: To ensure the correct and expeditious processing and adjudication of applications for immigration benefits transferred to the ports-of-entry from the Service Centers or District Offices or submitted directly to the INS at the land border ports-of-entry.

MAJOR OBJECTIVES:

Adjudicate applications for immigration benefits which are transferred to the ports-of-entry from the Service Centers and District Offices for remote processing, and adjudicate applications for immigration benefits submitted directly to the INS at the land border ports-of-entry.

Adjudicate applications for immigration benefits which are submitted directly to the INS at the land border ports-of-entry.

BASE PROGRAM DESCRIPTION: The function of this program in the Immigration Examinations Fee account is to

process and adjudicate applications for immigration benefits. Applications and petitions for a full range of benefits under the immigration laws are adjudicated during periods of standby time at most ports-of-entry during non-peak workload hours. Certain types of applications are presented directly to ports located on the United States borders where they are adjudicated and issued by inspections personnel at the land border ports-of-entry.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Remote Adjudications....	621,985	525,000	625,000	625,000

Explanation

Since 1992, the Land Border Inspections program is reimbursed from the Immigration Examinations Fee account for the adjudications work performed by immigration inspectors at ports-of-entry during traffic "down-time" as well as during periods when the inspectors are scheduled to be out of the inspection lanes for health and safety reasons. Considerable resources within the land border appropriation had been used to carry out adjudications tasks. This anomaly within the Inspections program budget was addressed in the reprogramming request approved by Congress in March 1992, resulting in the transfer of 141 positions to the Immigration Examinations Fee account. Subsequent to this, Congress added an additional 100 inspectors in 1993 to be funded by the Immigration Examinations Fee account. In the 1994 Appropriations for the Department of Justice, Congress added an additional 200 inspectors to be funded from fees collected for applications presented directly to ports located on the land border.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	441	438	$29,762	441	438	$31,084	...	...	$1,400

In May of 1993, the Service began testing a new automated inspections process called the INS Passenger Accelerated Service System (INSPASS). INSPASS uses an enrollment procedure in which a traveler is "inspected" for admission to the United States and then given a card encoded with biometric data which makes it possible to uniquely "tie" the card to the individual. Applications for INSPASS are accepted at specific INS enrollment sites, where applicants file written applications and are interviewed by INS personnel. If their applications are accepted, biometric measurements of their hands are taken. INSPASS cards, similar to a credit card in shape and size, are issued at the conclusion of the enrollment process. These cards contain electronically-encoded identification and biometric information.

When a card-holding traveler arrives at a port-of-entry equipped for INSPASS inspections, the individual proceeds to an automated inspection stand for accelerated inspection processing. The traveler inserts his/her INSPASS card in a reader which then queries the Interagency Border Inspection System (IBIS) database to determine admissibility. The coded data establishes identity, enabling an automated approval of admission into the U.S. When the IBIS search is completed, the traveler places his/her hand in a hand geometry reader for further identification verification. If this "test" is passed and the reader detects a match with the biometric

data, the traveler receives a receipt or the departure portion of the I-94, depending on the individual's immigration status, and is permitted to pass through an automated gate as soon as the receipt or I-94 is removed from the machine. The total processing time is designed to require not more than 30 seconds.

INS is requesting $1,400,000 to expand INSPASS technology to the northern and southern land border ports-of-entry. This technology will save inspectional time for both INS and the frequent traveler. The primary emphasis, for this request, will be the adaptation of INSPASS technology to specific land border environments, which will, through the automation of several small ports, allow extended opening hours without the need for increased staff.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations.....	100	100	$7,525	100	100	$7,792	100	100	$7,792	...	...	...

LONG-RANGE GOAL: To support activities associated with the Immigration Examinations Fee account by identifying law violators and gathering evidence of violations of the Immigration and Nationality Act and related criminal laws; and initiate appropriate criminal prosecution or provide information to support administrative action to effect removals from the United States.

MAJOR OBJECTIVES:

Prosecute and deter arrangers, facilitators and smugglers who conspire with and assist aliens to fraudulently obtain immigration benefits or perpetrate major fraud schemes.

Investigate and apprehend aliens who commit major criminal fraud offenses, with emphasis on international criminal alien organizations involved in narcotics trafficking, subversion, terrorism, alien smuggling, and other serious or violent criminal activities.

BASE PROGRAM DESCRIPTION: The function of this program is to detect criminal law violations and identify violators through covert operations and other investigative procedures, and initiate criminal prosecution or administrative action. Many of the cases investigated involve violators associated with large-scale, highly organized criminal conspiracies. Quite often, these criminal alien organizations are simultaneously engaged in other illegal activities such as racketeering, alien smuggling, counterfeiting, prostitution, official corruption, narcotics, weapons trafficking and extortion on an international scale. Special Agents identify these organizations through interviews, the use of informants, surreptitious surveillance, as well as undercover and task force operations. Other major cases investigated involve individual aliens who entered the United States illegally to seek benefits or employment through fraudulent documents. Investigative task force operations concentrate the resources of a local office, or combine the resources of several offices, to identify the members and activities of a criminal organization. Investigations often require the service of subpoenas and search warrants to obtain evidence.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
1. Organizations/ Facilitators Cases				
Completed.....	60	300	300	300
Defendants Prosecuted	20	120	120	120
Cases Completed per workyear.....	7.2	6	6	6
2. Individuals				
Cases Completed....	894	2,580	2,580	2,580
Defendants Prosecuted	65	155	155	155
Cases Completed per workyear.....	51.6	51.6	51.6	51.6
Deportable Aliens Apprehended.....	945	3,840	3,840	3,840
Apprehensions per workyear	38.4	38.4	38.4	38.4

Note: Investigative activities conducted in support of the adjudications and naturalization process were not funded from the Immigration Examinations Fee Account until 1992. The workload increase between 1992 and 1993 reflects the annualization of the 100 positions approved by Congress in 1992 for the Investigations program in this account.

The Marriage Fraud Amendments Act and IRCA expanded INS's obligations and ability to detect and deter fraud during the legalization process, the employment eligibility verification process, and the acquisition of legal benefits through spousal and fiance(e) relationships.

The principal goal of the Fraud Program is to discourage illegal immigration through fraud and to protect the integrity of benefits and documents legitimately provided to authorized aliens by INS. In an effort to accomplish this goal, INS is aggressively targeting for criminal prosecution of complex criminal organizations involved in immigration fraud. One investigation recently completed by INS resulted in the dismantling of one of the largest counterfeit document manufacturing and distribution organizations in INS history. As a result of this investigation, the INS seized 250,000 fraudulent documents valued at over $7 million, two printing presses, counterfeit currency, and handguns. Although INS is continuing to pursue investigations targeting counterfeit document manufacturers and vendors, the 1990 enactment of Section 244A of the Act, Temporary Protected Status (TPS), introduced a new variety of immigration benefit fraud requiring that the INS refocus its enforcement efforts to include this expanding arena of fraudulent immigration activity.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	8	8	$548	8	8	$567	8	8	$567	...	...	...

LONG-RANGE GOAL: To develop an international immigration intelligence capability for the collection, analysis and dissemination of information regarding global migration patterns and trends, and provide meaningful intelligence support on a regular basis to INS's operational components for enhanced effectiveness and efficiency of activities associated with the Immigration Examinations Fee account.

MAJOR OBJECTIVES:

Furnish assistance in the detection of fraudulent identity documents to INS components and international law enforcement agencies.

Provide intelligence assistance and support required for maximum operational effectiveness of INS field components associated with providing immigration adjudication and naturalization services.

Provide technical support and assistance in the prosecution of major document counterfeiters, alien smugglers and other violators of the Immigration and Nationality Act and provisions of the Immigration Reform and Control Act (IRCA).

BASE PROGRAM DESCRIPTION: This program provides strategic and tactical intelligence support to Service offices enforcing the provisions of the Immigration and Nationality Act, and assist other Federal agencies in addressing national security issues. The Service's Forensic Document Laboratory (FDL) is a critical component of the program. Intelligence support in the Immigration Examinations Fee account contributes to efforts aimed at detecting fraudulent documents and false claims to citizenship and other benefits and privileges.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Intelligence Program in activities related to the Immigration Examinations Fee account are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Cases received for examination of fraudulent documents at the FDL	551	662	700	750
Cases completed for examination of fraudulent documents at FDL	545	655	660	725
Persons trained by FDL in detection of fraudulent documents and identification of documented.....	63	174	180	190

Activity: Citizenship and Benefits

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudication and Naturalization....	2,152	1,988	$145,532	2,152	1,988	$150,210	2,156	1,990	$150,460	4	2	$250
International Affairs and Outreach.....	411	463	41,588	411	463	43,040	574	593	51,880	163	130	$8,717
Total.....	2,563	2,451	187,120	2,563	2,451	193,250	2,730	2,583	202,340	167	132	$9,090

This budget activity includes resources for the payment of specific expenses necessary to adjudicate applications and petitions for benefits provided under the Immigration and Nationality Act and to naturalize eligible aliens in a timely, efficient and equitable manner. It also includes resources for the payment of expenses necessary for the processing of claims for asylum and refugee status and for the Service's overseas program.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudications and Naturalization...	2,152	1,988	$145,532	2,152	1,988	$150,210	2,156	1,990	$150,460	4	2	$250

LONG-RANGE GOAL:

The overall goal of Adjudications program operations is to provide for and facilitate the efficient, timely and correct processing and adjudication of applications and petitions for immigration benefits. This includes the administration of naturalization and citizenship provisions, as well as all other applications for benefits under the Immigration and Nationality Act and related statutes, including the Immigration Act of 1990.

MAJOR OBJECTIVES:

Assure that applications for benefits are processed in a prompt, efficient and courteous manner without undue burden to the public, ensuring that benefits are granted for those entitled to them under the laws and denied to those applying fraudulently or who are otherwise ineligible for such benefits.

Attain and maintain a current workload in adjudicating applications and petitions for benefits provided by law.

Attain and maintain currency in naturalization and citizenship cases.

Manage resources in response to workload so that applicants will receive decisions of consistent quality and timeliness in all geographic jurisdictions of the Immigration and Naturalization Service.

Provide automated capabilities to INS Service Center and district office operations to achieve currency, quality, consistency, equity, and efficiency in accomplishing the objectives detailed above.

BASE PROGRAM DESCRIPTION: The function of this program is to process, adjudicate, and ultimately grant or deny applications and petitions for benefits provided under the immigration laws. Adjudications activities include processing applicants for permanent resident status, petitions for relatives, worker's applications, reentry permits, refugee travel documents, and extensions of temporary stay. Naturalization activities include the examination of aliens to determine their qualifications for naturalization, issuance of citizenship documents, appearances of Service officials before naturalization courts, and the conduct of administrative naturalization ceremonies.

The INS Adjudications and Naturalization program operates in field offices located throughout the country and

in four Service Centers located in California, Texas, Vermont, and Nebraska. Applications for immigration, nationality and citizenship benefits, and for naturalization are received and adjudicated by a corps of immigration officers (examiners) and adjudications support personnel. District offices adjudicate cases involving personal appearances by petitioners or applicants. The Service Centers concentrate on cases which can be processed without individual appearances and which benefit from volume processing and a production-oriented environment where the immigration officers can conduct their reviews without interruptions caused by telephone inquiries and by meetings with applicants.

ACCOMPLISHMENTS AND WORKLOAD:

ADJUDICATIONS WORKLOAD SUMMARY	Actual					Estimated	
	1989	1990	1991	1992	1993	1994	1995
RECEIPTS:							
INITIAL RECEIPTS – Except Court	2,510,015	2,963,428	3,359,869	4,230,536	4,507,586	4,722,000	4,498,000
BEGINNING PENDING ADJUSTMENT				(6,081)			
WORKLOAD IN PROCESS – IN	355,644	392,580	383,725	1,023,041	940,554	985,294	938,554
COMPLETIONS:							
SERVICE CENTERS	668,693	929,520	1,215,539	1,710,968	2,269,314	1,672,000	2,508,800
FIELD OFFICES	1,077,268	1,296,988	1,502,087	1,859,415	1,605,684	1,444,170	1,152,000
ADN PROGRAM SUBTOTAL	1,745,961	2,226,508	2,717,626	3,570,383	3,874,998	3,316,170	3,660,800
PORTS OF ENTRY	839,517	744,792	661,757	621,985	415,899	475,751	500,000
WORKLOAD IN PROCESS – OUT	378,218	502,277	336,852	967,825	1,130,408	1,184,179	1,128,004
TOTAL COMPLETIONS	2,585,478	2,971,300	3,379,383	4,192,368	4,290,897	3,791,921	4,160,800
END OF YEAR PENDING:							
SERVICE CENTERS	N/A	82,411	160,501	181,447	195,308	668,280	958,037
PORTS OF ENTRY	N/A	46,015	34,082	21,509	6,421	59,874	60,097
FIELD OFFICES	N/A	412,404	373,606	452,086	482,033	688,800	544,570
TOTAL	658,399	540,830	568,189	655,042	683,760	1,414,954	1,562,704

The Service Centers resumed remoting casework to ports-of-entry in the second quarter of 1994. Although these cases will continue to be handled initially at the Service Centers, the number of annual completions will drop by approximately 175,000 cases at the Centers as a result of remote processing. In 1993 the Service Centers began providing support for the asylum program by receiving applications, requesting additional information when applications are not complete, entering data in the asylum processing database, and setting up files. This support continues in 1994.

A breakdown of casework pending at the end of 1989 is not available.

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PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudication and Naturalization.....	2,152	1,988	$150,210	2,156	1,990	$150,460	4	2	$250

A program increase is requested to improve outreach capabilities. It includes 4 positions, 2 workyears, and $250,000 to enhance the Examinations Operations Facilitation Program (EOFP). The EOFP involves interactions with communities and community-based organizations to provide accurate INS information regarding immigration benefits and the availability and dissemination of information within immigrant communities. The program achieves these objectives by conducting seminars and other types of "grass roots" information programs, and by participating in administrative naturalization ceremonies conducted by the INS. The EOFP has also worked with groups such as the League of Women Voters in efforts directed at encouraging newly-naturalized citizens to register to vote. The program establishes and reinforces a more positive image of the INS within communities through these activities.

The requested resources will provide funding for: six additional seminars (which will emphasize increased participation in the naturalization process), and the development and publication of related training and informational materials (brochures, posters, flyers, public service announcements). Funding will provide clerical support for the Field Outreach Specialists. These Specialists oversee community programs, maintain contacts with voluntary organizations, and arrange and conduct seminars within the four INS regions. The additional clerical support will free the Specialists from performing clerical work essential to the functioning of the program.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
International Affairs and Outreach.....	411	463	$41,588	411	463	$43,040	574	593	$51,880	163	130	$8,840

LONG-RANGE GOAL: To approve qualified applicants for refugee status and for admission into the United States; adjudicate petitions, asylum applications and other applications for benefits under the Immigration and Nationality Act (INA); and verify claims on applications and petitions by conducting immigration investigations. Coordinate and implement overseas enforcement initiatives directed against illegal immigration, fraud and related activities. Establish beneficial liaison with host governments, United States agencies and others to ensure mission-related information sharing.

MAJOR OBJECTIVES:

Coordinate with United States missions abroad and represent United States immigration policy interests and concerns to foreign governments, international organizations, and private voluntary agencies.

Receive and adjudicate applications for persons requesting entry into the United States as refugees in accordance with the INA and yearly consultations between the President and Congress.

Adjudicate applications and petitions for benefits applied for under the INA from individuals seeking admission into the United States as immigrants.

Promptly and consistently adjudicate asylum claims from aliens who are not in exclusion or deportation proceedings.

Provide planning, coordination, review, and evaluation of the Service's asylum program.

Establish relationships conducive to the collection and dissemination of information of importance to the United States.

BASE PROGRAM DESCRIPTION: The function of this program is to adjudicate refugee applications, process parolees, conduct investigations for preference and relative visa petitions, and conduct other records checks and background investigations as required at overseas Service offices. Officers assigned to this program provide assistance to citizens and lawful permanent residents abroad regarding adoptions, immigration or parole of alien spouses and children, and other benefits into the U.S. for deserving individuals, and coordinate with the Coast Guard on the asylum screening process of the Alien Migrant Interdiction Program.

The Refugee Act of 1980 created a statutory basis for asylum in the United States and made withholding of deportation of those who qualify mandatory rather than discretionary. While Congress, in passing the Act, established a statutory definition of "refugee", it did not legislate a specific method by which claims for asylum or withholding of deportation were to be adjudicated. Rather, the Congress directed that the Attorney General establish the necessary procedures for such adjudication. Interim regulations were published in June 1980 and remained in effect until superseded by new asylum regulations signed by the Attorney General, were published as a final rule in the Federal Register on July 27, 1990, and took effect on October 1, 1990.

Asylum interviews can only be conducted by members of the Asylum Officers Corps (AOC). The Asylum Officers are centrally managed from the INS Headquarters and are located at seven sites throughout the country. These officers also travel throughout the nation performing asylum interviews. Support activities at the seven sites and Headquarters are provided by clerical personnel who perform data updates, mail, file, and correspondence work. A quality control function is performed by supervisory personnel located on site and by Asylum Officers at Headquarters.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the International Affairs and Outreach program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Refugee Applications:				
Pending beginning.....	18,238	15,028	11,267	11,267
Received.....	133,786	127,502	130,000	130,000
Completed.....	136,996	131,263	130,000	130,000
Pending end.....	15,028	11,267	11,267	11,267
Adjudications:				
Pending beginning.....	5,919	7,658	10,489	10,489

Item	1992	1993	Estimate 1994	Estimate 1995
Received.....	24,593	28,038	24,500	24,500
Completed.....	22,854	25,207	24,500	25,500
Pending end.....	7,658	10,489	10,489	9,489
Investigations:				
Pending beginning.....	1,803	1,915	1,897	1,897
Received.....	4,801	4,832	4,800	4,800
Completed.....	4,689	4,850	4,850	4,900
Pending end.....	1,915	1,897	1,897	1,797
Parole:				
Receipts/Completed.....	3,859	4,008	4,500	4,800
Asylum adjudications:				
Pending beginning.....	137,046	219,014	342,305	400,305
Received.....	103,964	163,556	130,000	190,000
Completed.....	21,997	40,265	72,000	136,000
Pending end.....	219,014	342,305	400,305	454,305

Explanation:

Asylum receipts in 1992 reflect the filing of applications by 60,000 direct registrants under the American Baptist Churches v. Thornburgh (ABC) settlement agreement. The Deferred Enforced Departure (DED) program extended TPS for 190,000 Salvadoran registrants. These individuals will qualify for ABC at the end of the DED program. It is expected that they will file for asylum during 1994.

Asylum completions in 1992 were expected to be significantly higher but asylum officers were diverted to the Guantanamo Bay Naval Base in Cuba to pre-screen Haitians interdicted by the U.S. Coast Guard. During 1992 the AOC and Headquarters personnel participated in the processing of Haitian nationals interdicted by the U.S. Coast Guard. Under this process, the AOC conducted prescreening interviews and made case determinations. At times more than one third of the AOC was detailed to Guantanamo Bay, Cuba, for this high-priority operation. AOC personnel also performed the quality assurance procedures for this program. Headquarters personnel were detailed to Cuba to oversee and coordinate Service operations with other government agencies who were involved in the effort. As of September 17, 1992, the AOC conducted 36,596 pre-screening interviews during this operation.

Accomplishments:

Enforcement Activities:

In coordination with the Department of State, the Coast Guard, and the Department of Justice, the Office of International Affairs and Outreach was an active participant in work with foreign governments in monitoring the movement of Mainland Chinese being smuggled to the U.S. and their repatriation.

A case involving Chinese smugglers provides an example of successful interagency coordination. Working closely with domestic offices, the INS' overseas offices provided valuable information and assisted in the collection of evidence for U.S. Attorneys which led to the indictment and arrest in 1993 of two major Chinese boat smugglers. Information leading to action against these individuals indicates that they controlled approximately 80 percent of all boat smuggling operations from the People's Republic of China (PRC). The overseas offices have since reported that PRC boat smuggling activities dropped significantly since the arrests.

At the request of the Department of State, the Service placed an immigration officer in Karachi, Pakistan, to investigate fraudulent document schemes, provide technical assistance, and deter smuggling rings targeting U.S. international airports. The work of this officer and other personnel in the INS Rome District Office appear to be having an impact on the volume of malafide travelers originating in Pakistan, based on third and fourth quarter 1993 data.

During the Summer of 1993 overseas officers provided fraudulent document training to 2,723 foreign government, airline, and host country airport personnel. These training and liaison efforts resulted in over 2,142 interceptions of malafide travellers enroute to the U.S. Failure to intercept these aliens would probably have resulted in increased inspection and detention costs, as well as abuse of the asylum process.

Refugee Processing:

In mid-February 1992, the Service began the in-country processing of Haitian refugee applicants. From the beginning of the program through December 10,1993, INS officers had interviewed a total of 9,421 cases (12,613 persons). Of these, 689 cases (1,889 persons) were given preliminary approval for refugee status. As of December, 1993, 1,500 Haitians had traveled to the U.S. under the in-country processing program.

Beginning in the second quarter of FY 1993, the interview rate in Moscow was lowered from 96 to 84 interviews per day. Even at this reduced rate, INS officers approved approximately 50,000 refugee applicants from the 15 republics of the former Soviet Union by the end of the fiscal year. As in recent years, Moscow approval rates remain above 94 percent. The relatively small numbers of persons denied refugee status are often offered public interest parole as a means of coming to the United States. The processing of Soviet refugee applicants is expected to continue through 1994.

During FY 1993 events in the former Republic of Yugoslavia created a new refugee flow. Bosnians were designated by the Department of State as eligible for refugee status consideration. The INS responded to this action by making "circuit rides" to several locations to interview applicants. As of the end of December, 3,061 Bosnian refugees had been admitted to the U.S. The interview of Bosnian refugee applicants will continue in 1994.

During 1993 INS personnel continued processing Vietnamese under the Orderly Departure Program. Processing demands are expected to increase over the next two years as efforts are made to complete interviews of all eligible former reeducation camp prisoners by the end of FY 1995.

Asylum Processing:

In 1993 the Department of Justice Management and Planning Staff completed a study of the asylum system and the Department convened a working group comprised of staff from several INS divisions, the Executive Office of Immigration Review, and members of non-governmental organizations to discuss reform of the asylum processing

system. Streamlining procedures to increase productivity and elimination of the filing of abusive claims were two primary goals of the reform process. The working group identified several major changes which have been recommended to the Commissioner and the Attorney General for incorporation into the FY 1994 procedures. The Asylum Division intends to make policy and procedural revisions and begin implementation of some recommendations during FY 1994. The revised procedures streamline the process so that asylum applicants who are interviewed receive final decisions on their claims within 180 days of the filing of their applications. However, success of this goal is also highly dependent on increased staff in all aspects of the asylum process.

In FY 1993 the Asylum Division worked to prepare a re-interview offer which will be made to applicants in the asylum backlog who filed their applications prior to October 1, 1991. The Service is preparing a public notice to be published during FY 1994 in the Federal Register to announce the re-interview offer procedure. The resulting responses from the re-interview offer will be processed through the Service Centers. As responses come in, the information will be used to update the asylum application database, identify active asylum applicants, and permit a reassessment of the total backlog.

Resource Information Center:

In FY 1993 the Resource Information Center (RIC) made significant progress toward fulfilling its mission of providing asylum and refugee adjudicators with credible perspectives on human rights conditions in refugee-producing countries. Several information products (both electronic and printed) were conceived and implemented. Research covered the top twenty refugee-producing countries of interest to the U.S. Definite progress was made in updating and expanding the electronic databases which provide rapid access to thousands of pages of information. A specific database was developed and installed in Haiti and refugee adjudicators were trained in its use. Similar country-specific databases were assembled for use by Refugee Officers in the Rome District Office.

The RIC library collection was expanded with the addition of material dealing with "in country" conditions as well as other reference material needed by the asylum officers. Progress was made in the sharing of electronic information with the Canadian government, the leading governmental producer of human rights information, and the Center for Documentation on Refugees (U.N. High Commissioner on Refugees) in Geneva, Switzerland. It is anticipated that these efforts will continue in FY 1994.

Parole Processing:

Beginning in July 1992, humanitarian parole adjudication authority was delegated to the District Directors in Bangkok, Mexico City and Rome. Public interest parole authority remains under Headquarters. During 1993 Headquarters and the three districts adjudicated 4,008 parole cases.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
International Affairs & Outreach.....	411	463	$43,040	574	593	$51,880	163	130	$8,840

An increase of 163 positions, 130 workyears, and $8,840,000 will provide resources to process asylum claims filed by aliens who are already in the United States. Of the 163 positions, 10 will be supervisors, 87 will

be asylum officers, and 66 will be support personnel. These funds will result in an expansion of the Asylum Officer Corps from 150 to 237 officers. The increase will be supported solely by new fees which will be paid by asylum applicants. INS is proposing to assess a $130 fee for the filing of affirmative asylum applications.

This increase will contribute significantly to the Service's ability to process new asylum claims. When fully trained, the 87 additional officers will be able to process approximately 55,158 asylum claims annually. The annual case processing level for the expanded corps will then be approximately 150,258 per year. At this projected level of productivity, the corps would essentially be processing current intake of receipts. (This estimate is based on the assumption that some asylum case processing streamlining reforms will be implemented during 1994 and all reforms will be implemented during 1995, having the effect of reducing the amount of time required to process a case from approximately 6.5 hours per case to approximately 2.5 hours per case.)

The expansion of the corps is important in that it will allow the Service to process affirmative asylum claims expeditiously without automatically granting the applicant work authorization. This will be a deterrent to those aliens who submit frivolous, "boilerplate" claims which allow them to remain in the country solely for economic reasons.

Activity: Immigration Support

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	22	20	$3,149	22	20	$3,229	22	20	$3,229	...	...	...
Data and Communication.....	72	66	34,856	72	66	35,567	72	66	36,567	...	...	$1,000
Information and Records Management	734	785	51,293	734	785	52,957	734	785	54,997	...	...	2,040
Construction and Engineering.....	1	1	178	1	1	183	1	1	183	...	...	...
Legal Proceeding....	49	42	3,764	49	45	3,800	49	45	3,800	...	...	...
Total.....	878	914	93,240	878	917	95,736	878	917	98,776	...	...	3,040

This activity includes the resources for communications, records management, automated data processing, legal proceedings and the alien documentation program.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	22	20	$3,149	22	20	$3,229	22	20	$3,229	...	...	...

LONG-RANGE GOAL: To establish and maintain an employee development system that meets the needs of management

and individual employees funded through the Immigration Examinations Fee account.

MAJOR OBJECTIVES:

To provide administrative support to the basic training of all new recruits and advanced technical training for journeyman officers, and develop updated curricula for the basic and journeyman training programs associated with the Immigration Examinations Fee activities.

BASE PROGRAM DESCRIPTION: The function of the Training program is to provide the staff and the resources necessary to maintain an employee development program that meets the diverse training needs of this agency's workforce. Training requirements are identified annually and are revised, as needed, due to new regulations, legislation, or organizational needs. The program is accomplished in a variety of ways: through in-Service training at the Federal Law Enforcement Training Center facilities (FLETC) at Glynco, Georgia (basic officer training) and at Artesia, New Mexico (journeyman officer training); through programs conducted by other Federal agencies; by private contractors; or in combined presentations using Service and non-Service resources.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and & Communications	72	66	$34,856	72	66	$35,567	72	66	$36,567	...	...	$1,000

LONG-RANGE GOAL: To establish, improve and maintain automated and electronic technical support to increase the capability, efficiency and effectiveness of INS's operational, administrative and managerial functions; provide a comprehensive and coherent framework for the acquisition and management of information systems resources pursuant to the Strategic Plan for Information Systems; provide the optimal level of automation support; provide communications to support all of INS's information needs; produce and issue alien identification documents (ID) and provide an automated ID verification system; provide radio and electronics equipment and systems required to support INS's law enforcement functions; promote the electronic sharing of information with other Federal agencies to reduce the paperwork burden, to both the public and INS; and provide technological guidance in support of all INS operations.

MAJOR OBJECTIVES:

Install, operate and maintain INS's major examinations support systems throughout the Service.

Implement the Information Architecture concept to design, develop and improve automated data processing (ADP) systems and data bases related to the programs funded under the Immigration Examinations Fee account.

Improve the quality, reliability, interoperability, maintenance, and accessibility of existing information systems.

Improve the efficiency and effectiveness of voice and data communications throughout the Service as related to the Immigration Examinations Fee account.

Provide examinations office automation support for word processing, local tracking, analysis, and electronic mail.

Provide a consistent and integrated technology infrastructure to all INS field offices.

Provide an effective equipment maintenance, replacement and upgrade program to ensure effective continuity of operation of data, communications and electronic capabilities as related to the Immigration Examinations Fee account.

BASE PROGRAM DESCRIPTION: The function of this program is to provide direct support to the Service's operational organizations as well as administrative support functions in the areas of ADP and communication systems. This includes: (1) improving the effectiveness and efficiency of Service functions through the use of computer resources for information processing; (2) providing for the operation of data and communications networks; and (3) maintaining the cost effective production and issuance of secure aliens identification cards.

ACCOMPLISHMENTS AND WORKLOAD: The Data and Communications program workload is best expressed in narrative form since program efforts directly contribute to increasing the productivity and effectiveness of operating programs. Accomplishments include the following:

I. ADP SYSTEMS

1. Systems Planning: An INS Information Architecture study completed, in 1991, provides the framework for designing, developing and improving agency information systems. A parallel analysis, the Office Automation and Access project, defines the basic platform of equipment, networks, and communication links to support access to, and use of automated systems. In 1992, the Service prepared economic analyses and implementation plans in support of the end user tier of the Information Systems Architecture. In 1993, planning was initiated on the Electronic A-File portion of the Information Architecture, including design and integration with systems such as the Computer Linked Application Information Management System and the (CLAIMS) and Interagency Border Inspection System (IBIS).

INS initiated the Personal Workstation Acquisition Contract (PWAC) to procure equipment/software for the Office Automation/End User Tier Automation Platform, the essential underlying technology base that must be implemented in INS offices to provide access to INS databases. In 1993, work continued on the PWAC contract process with plans to award the contract in 1994.

2. Systems Operation: The Data and Communications program provides technical and communications support for the Adjudications program. In 1991, the Service initiated development of CLAIMS. CLAIMS is a system consolidation effort aimed at combining existing Examination support systems and providing automated support of the Direct Mail program. Such systems include the Fee Application Receipt Entry System (FARES), the Naturalization Casework System (NACS), Marriage Fraud Amendment System (MFAS), the Legalization Adjustment Processing System (LAPS), the Employment Authorization Document System. Ongoing support includes the operation and maintenance of these systems (until consolidation), the Student/Schools System (STSC), the production of Employment Authorization Cards, LAPS system operations in support of the Special Agricultural Worker aspect of the Immigration Reform and Control Act of 1986, and the necessary adjustments to systems as required to support the IMMACT 90 legislation and the Green Card Replacement Program. CLAIMS has been installed in each of the Regional Service Centers, and will be implemented in approximately 10 district office in 1994. The Service Center implementation has reduced the initial data entry associated with adjudications processing from 15

minutes to 1.5 minutes, has increased examiner productivity, and has resulted in an average processing time of only 36 days (compared to 78 days in the local offices).

II. ALIEN DOCUMENTATION
The Immigration Card Facility produces the Legal Permanent Resident Card (I-551) and the Border Crossing Card (BCC). Maximum annual card production is 2 million cards. In 1990, 2,000,084 I-551's and BCC's were produced. In 1991, 1,850,117 and in 1992, 2,041,968 cards were produced. In 1993, 1,829,455 cards were produced at the facility.

III. DATA COMMUNICATIONS
The Service's data communications network (INSINC) was expanded to support approximately 350 sites allowing for immediate access to INS systems on the Justice Data Center's mainframe computers. Work has begun on the installation of Data Communication facilities necessary to provide foreign office operations with access to INS Centralized Systems.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data & Communications.....	72	66	$35,567	72	66	$36,567	...	...	$1,000

An increase of $1,000,000 is requested for the development of an electronic interface for CLAIMS with the Department of State (DOS). This interface can be used to process INS requests for visa availability, to transmit visa petition approvals, and to transmit cables to DOS for subsequent issuance to consulates. The benefits of such a system include providing information to both INS and DOS personnel in minutes rather than weeks and will help improve efficiency and reduce backlogs by eliminating redundant data entry. The interface with DOS will allow for the transmission of over 1.5 million visa petitions per year.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information and Records Management	734	785	$51,293	734	785	$52,957	734	785	$54,997	...	...	$2,040

LONG-RANGE GOALS: To provide complete and accurate information in a timely and professional manner to the Service, other Federal, State and local government agencies, and to the public on immigration procedures, policies, plans, activities, status, benefits and eligibility; conduct and administer Servicewide information services and records programs designed to provide support to INS's operating components and other United States law enforcement agencies, as well as State and local governments seeking information on aliens. To ensure the reliability and integrity of automated and manual data generated by INS information systems (contractor and in-house); ensure efficient records management in the life cycle of records; and apply principles of information engineering and modeling that contribute to cost-saving and efficiency efforts in the area of data integrity. Improve mail and correspondence management practices by increasing efficiency and reducing and/or holding mail costs to a minimum, and continue to initiate and implement standards for uniform and effective correspondence

throughout INS as related to the Examinations Fee account.

MAJOR OBJECTIVES:

Ensure Servicewide compliance with the Freedom of Information and Privacy Acts (FOIA/PA).

Ensure Servicewide compliance with the Paperwork Reduction Act of 1980.

Provide analytical and technical expertise on statistical matters, and statistics upon which to base policy decisions.

Respond to live assistance telephone inquiries from the public through the telephone service centers, telephonic forms requests from the public through forms distribution centers, and written inquires.

Develop and install advanced automated telephone systems to improve the public's access to immigration information.

Respond to information and status requests from INS operating components, other Federal, State and local government agencies, and the public.

Work with the Data and Communications Systems program to improve the control, accountability and availability of INS's manual and automated records through improved systems and procedures, and provide training, and technical and operational assistance in the maintenance of manual and automated records systems.

Contribute to the development of the most efficient/cost effective use of manual and automated records systems and resources and ensure that INS responsibilities related to automated records systems contribute to the quality and integrity of the system databases.

Ensure the accurate, timely, effective and efficient issuance, dissemination and distribution of Service regulations, directives, operating instructions and forms.

Improve INS workload data and productivity measurement systems and ensure timeliness, accuracy, quality and completeness of all INS statistical data.

Establish and maintain liaison with Federal and State agencies, and national and international organizations involved in the collection and/or analysis of immigration related statistics.

Improve the Systematic Alien Verification of Entitlements (SAVE) program to allow the Service to fully support the needs specified in agreements between the SAVE program and Federal, State and local agencies.

BASE PROGRAM DESCRIPTION: The functions of this program are to (1) provide responses to inquiries from the public and private sectors; local, state and Federal agencies; and the various branches of government, by telephone, in-person, and in writing, (2) maintain alien records and files from which data may be readily obtained to respond to requests from both in and outside the Service; (3) develop guidelines, policies and procedures and responses to FOIA/PA requests; (4) compile, analyze and evaluate statistics for use in preparing regular and special reports about Service operations and work accomplishments; (5) provide for the coordination,

development, preparation and review of the Service's regulations, directives, operating instructions and forms, to ensure that these materials are issued and published in accordance with established Federal regulations and laws; and (6) monitor and ensure internal compliance to standards for systems and Service delivery.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Information and Records Management program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Information Services				
Inquiries--				
Correspondence:				
On-Hand, BOY.....	5,970	14,623	38,412	25,932
New Receipts.....	273,052	336,922	364,000	400,400
Completions.....	264,399	343,133	376,480	417,040
On-Hand, EOY.....	14,623	38,412	25,932	9,292
Telephone:				
Immigration Info Tel System.....	3,936,664	4,775,567	5,073,100	5,346,200
Immigration Telephone System (Other).....	172,439	208,182	187,400	168,500
INS "800" Telephone System.....	327,759	526,226	552,200	867,800
In Person:				
Appl. Processed	754,817	1,076,344	1,077,900	1,101,000
Forms Center Operations				
Public Form Requests...	206,383	444,080	460,000	910,000
Records Services-				
Completions:				
Files Created.....	627,486	674,268	800,000	800,000
Record Verification....	543,296	535,071	600,000	600,000
Files Trans & Request from others/FRC's....	791,131	1,078,114	1,000,000	1,000,000
Files Connection.....	1,482,895	1,601,277	1,750,000	1,750,000
Refiles.....	1,889,102	2,059,525	2,400,000	2,400,000
Mail Processing.....	6,089,583	5,819,270	7,000,000	7,000,000
Records Operations--				
Contract at Srvc Ctr...	...	22,105,000	22,105,000	22,105,000
FOIA/PA Requests:				
On-Hand, BOY.....	6,030	9,356	6,550	4,494
New Receipts.....	35,498	47,264	48,904	53,800
Completions.....	32,172	47,264	50,960	50,994
On Hand, EOY.....	9,356	6,550	4,494	7,300

As of September 1992, Immigration Information (II) Telephone systems at 62 field offices were enhanced and

upgraded. All II Telephone systems now provide callers with the ability to telephonically request INS forms through a voice mail feature. During 1993, 15 II sites were added to the Telephone Service Center network.

A separate completely automated Immigration Information "INS 800" telephone system continued to operate providing toll-free information nationwide to callers on the major provisions of the new immigration laws, processing over seven million calls as of September 1993. In July 1992 the INS 800 was also upgraded with the capability to accept forms requests.

The Alien Files Accountability and Control System (AFACS) has now been installed at 50 sites. At present, 29 file control offices (FCO's) are operating under Local Area Networks (LANS), 14 FCO's have mini-computer networks, and seven have PC stand-alone systems. By the end of 1993, the population of alien files under control of AFACS was expanded to approximately 95 percent of all active alien files. With the expansion also came a conversion of the AFACS platform to a LAN environment, connected to the national systems through its interface with the Central Index System. The functionality of AFACS has been enhanced to include tracking and processing of receipt files (called RAFACS).

A text information management system was developed in 1993. The Immigration and Naturalization Service Easy Research and Transmittal System (INSERTS) contains up-to-date information on Service Law Books, Administrative Manuals (policies, directives, regulations, Statutes, instructions), public use reports (forms), General Counsel opinions and operations manuals. The system uses Compact Disk Read Only Memory (CD-ROM) technology. In 1994, it is targeted to be deployed in field offices and Headquarters.

Customer Management Information Systems (CMIS) were installed in six additional INS field offices in 1993. This brought the total to 34 offices equipped with these systems. These systems allow the Service to schedule appointments with clients which reduces their waiting times, improves client services, and generally improves office operations. CMIS was installed at the Headquarters Information Operations Unit and the Eastern Telephone Service Center to provide a call-specific tracking and coding capability for telephonic inquires.

An automated telephonic inquiry enhancement to the RAFACS was installed at the four Service Centers. This enhancement to the RAFACS (called TIERS) enables callers to obtain information on case status on applications and petitions filed at the Service Centers.

An alien card transaction inquiry on-line narrative system was implemented at the Immigration Card Facility (ICF) to respond to inquiries on the production status of Alien Registration and Border Crossing Cards at the ICF. Since operations began in August 1992, the on-line narrative system has received over 30,000 calls a month from INS operatives regarding the production status of alien cards. INS calls this activity ACTION.

An electronic Document Imaging Prototype System has also been developed. It is comprised of optical disk storage devices, an optical scanner (for imaging and character recognition capabilities), bar code technology, and electronic image transmissions. The prototype effort, previously tested in a laboratory environment, is now in the process of an evaluation in an operational setting. This is seen as a possible alternative to certain labor-intensive data entry and data/image retrieval operations. It is anticipated that over 300,000 paper files will be destroyed as a result of this prototype effort. The imaging and optical character recognition capabilities will directly support the image storage and data collection pillars of the Information Architecture (IA). As INS moves away from reliance on paper files, the AFACS platform will play a relational

support role by providing an index between electronically imaged files and the location of the hard copy files.

A new system of filing Alien Files was implemented during the second half of 1992, it is called the Responsible Party Filing System (RPFS). This system was an enhanced use of existing AFACS/RAFACS technology at the field offices to increase productivity. The prototype test of the new filing system was implemented at the Philadelphia District Office. Evaluation of the new system during the test has revealed increased productivity over the Terminal Digit System which is currently in use at most INS field offices. The RPFS is now in use at 22 field offices as of September 1993.

PROGRAM CHANGES:	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information and Records Management.....	734	785	$52,957	734	785	$54,997	...	...	$2,040

Enhancement of Automated Call Distribution (ACD) Systems

An increase of $500,000 is requested to enhance the Automated Call Distribution (ACD) systems at the Telephone Service Centers. The Telephone Service Centers (TSCs) are located in New York, NY and Los Angeles, CA. They were established to provide live assistance to callers who do not have their questions answered by the automated Immigration Information system while minimizing the amount of long distance telephone charges incurred to the Service. The telephone centers support the information program at the district office level by removing the necessity of customers making a personal visit to the district office to have either a general or case specific immigration question answered.

The benefits of the ACD systems are to ensure an even distribution of incoming calls to each information officer on duty at a telephone center. The even distribution of work among the staff maximizes productivity and call-handling ability and reduces telephone waiting time for the public. This is a very cost-effective way to improve service to the public both by answering queries and thereby reducing traffic at local offices.

The request will provide for additional telephone lines and related computer equipment so the TSCs will be able to handle the increased number of telephone requests received. Most of the funding will go toward the purchase of a more advanced Automated Call Distribution System for the Los Angeles TSC. The updated ACD will provide increased speed and more lines. ACDs route the longest held telephone call to the first available Immigration Information Officer so that waiting time is reduced. Related computer equipment will enable the Immigration Information Officers to check the status of an alien's application or verify other information of interest to the alien immediately and will eliminate some of the follow-up responses that are now necessary.

Contract Services for Forms Centers

An increase of $1,540,000 is requested to provide contract services for the bulk warehouse activities related to operations at the Service's Forms Centers. The Forms Centers were established primarily for the efficient and cost-effective transcription of telephonic requests for INS forms which callers make through local Immigration Information systems, and to serve as a centralized bulk warehouse to supply field offices with forms stocks. The two Forms Transcription and Distribution Centers (FTDCs) are located at Burlington, VT and Bell, CA. The centers are located at these sites because of lower operating costs and readily available work force.

The Forms are staffed with Forms Service Representatives (FSRs) and warehouse workers. The FSRs dial into the Immigration Information (II) systems around the country and transcribe telephonic requests for forms. They assemble forms packages, insert packages into envelopes, and affix labels.

The warehouse workers maintain inventories, enter outgoing mail, and assemble packages. Forms packages are then mailed to the public on a daily basis. The requested increase will enable the Forms Centers to provide bulk distribution support services to field offices in the jurisdiction of the country not presently served.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering.....	1	1	$1/*	1	1	$183	1	1	$183	...	...	...

LONG RANGE GOAL: To provide adequate facilities for all INS operating units in the Immigration Examinations Fee Account so that they can fulfill their requirements to administer the Immigration and Nationality Act.

MAJOR OBJECTIVES:

Construct, alter and maintain effective, safe, energy conserving, and attractive facilities.

BASE PROGRAM DESCRIPTION: The function of this program is to provide for the acquisition, design, construction, alteration, repair, maintenance, and management of all buildings, structures, and facilities for which the Service is the owner or leased lessee. Space is acquired through the General Services Administration (GSA), by lease and by INS construction.

ACCOMPLISHMENTS AND WORKLOAD: The Construction and Engineering program projects 68 Requests for Space (SF-81/144A) will be sent to GSA in 1995. These SF 81/144 requests are increases in space, decreases in space, relocations of offices, revisions to existing space, consolidation of operations, and GSA-mandated moves.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings	49	52	$3,768	49	49	$3,800	49	46	$3,800	...	...	...

LONG RANGE GOAL: To provide legal representation for the United States Government in all cases and matters related to the Immigration Functions Fee Account.

MAJOR OBJECTIVES:

Provide legal support and representation in regard to asylum, rescission, contested naturalization, visa petitions and adjustment of status cases.

BASE PROGRAM DESCRIPTION: INS attorneys represent the Service in asylum and naturalization cases.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Cases Prepared.....	24,427	19,013	23,500	25,180
Attorney Appearances for:				
Administrative Relief in Asylum Cases.....	23,957	18,927	23,380	25,050
Other Administrative Relief	22,758	23,530	29,060	31,140
Recision Cases.....	262	439	550	590
Legal Briefs Prepared.....	3,068	1,623	2,010	2,150
Total Work Units.....	74,472	63,537	78,500	84,110

Activity: Program Direction

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration....	96	96	$10,254	96	96	$10,894	138	117	$12,579	42	21	$1,685

This activity provides for the overall administration and management of the Service.

LONG RANGE GOAL: To formulate and coordinate meaningful and consistent management policies and direction in the Immigration Examinations Fee Account throughout all levels of the Service; to provide management direction to field units that implement major policy and management decisions for more than one program; and to provide the full range of administrative support services to all programs on a timely basis in compliance with laws, policies, and external and internal requirements.

MAJOR OBJECTIVES:

Provide for continuity, and control of the overall management and administration of INS.

Direct implementation of Servicewide policy and ensure its effective and uniform application.

Provide management direction to field units on implementation of INS policy and initiatives.

Improve agency responsiveness through continued enhancement of management systems including:

- Maintaining and refining delegations of authority and requirements for accountability for National policy direction, regional implementation, and district and sector execution, including appropriate control of resources;

- Continuing to emphasize and institutionalize INS's system of goals and objectives with further integration between mission and priority planning and system of resource allocation and control; and continuing rapid development of information systems to meet the needs of management and immigration policy formulation.

Provide program direction for the personnel, equal opportunity, budget, accounting, procurement, property management, and support services.

Provide policy guidance and review of fee supported activities of the Service.

Ensure integrity of fee supported activities through audits and program reviews.

Provide vehicle support services.

Provide for the full range of security, safety and health support activities.

BASE PROGRAM DESCRIPTION: The functions of this program are: (1) To provide management direction and support for the implementation and operation of regional and field activities and functions to those managers and supervisors who are responsible for and exercise authority over multiple programs; (2) To execute the provisions of the Immigration and Nationality Act and related policies through the development and implementation of immigration programs and the management of resources; and (3) To provide for the development, implementation, direction, operation and evaluation of administrative support systems and services that meet internal operational and managerial needs and externally mandated requirements. Included in this program are duties related to providing executive direction and control of the Service; furnishing accurate and prompt responses to Congressional and public inquiries; administering and maintaining effective budgeting and financial management systems, performing audits, conducting internal investigations, providing informational responses to frequent inquiries of GAO, OIG, OMB and Departmental offices, and developing and evaluating policies and systems to improve the effectiveness of Service programs. The major administrative functions within the program include: personnel, accounting, equal employment opportunity, procurement, property management, fleet management, security, safety and health, and other miscellaneous general services that support all programs within INS.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Management and Administration program are presented in the following table:

Item	1992	1993	Estimate 1994	Estimate 1995
Personnel: 1/				
Personnel Actions.....	18,715	20,000	20,000	20,080
Number of Persons Hired..	744	1,314	2,014	2,114

Item	1992	1993	Estimate 1994	Estimate 1995
Position Classification Requests.....	322	435	435	435
Position Review Requests.	1,890	3,015	3,015	3,015
Formal Grievances.....	93	100	100	120
Adverse and Disciplinary Actions.....	280	275	275	285
Unfair Labor Practice Charges.....	95	90	90	100
Finance: 2/				
Bills.....	4,800	5,000	5,350	5,850
Vouchers.....	39,000	41,000	44,000	44,000
Equal Employment Opportunity Office:				
Regional Offices, Districts Sectors and Service Centers on-site evaluations....	205	950	950	1,900
Training-Supervisors, Employees and Collateral Duty employees.....	105	1,100	1,100	2,200
Number of Complaints Filed	48	110	110	150

1/ In 1993, a greater than normal increase in the number of personnel actions processed occurred due to: (1) the projected increase in the size of the workforce based on the Attorney General's 1992 hiring initiative for the Service and (2) implementation of the organizational changes in both the operations and management organizations resulting from the 1992 Department-approved Servicewide reorganization.

2/ These statistics are for the workload in the Examinations Fee Account only. In some cases, the nature of the workload being measured does not allow for breakdown by account. This decision unit supports all programs Servicewide and a single action will often include Salaries and Expenses, Examinations Fee and Inspections User Fee activities.

PROGRAM CHANGES:

	1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration.....	96	96	$10,894	138	117	$12,579	42	21	$1,685

An increase of 42 positions, 21 workyears and $1,576,000 is requested to expand administrative support for programs funded under the Immigration Examinations Fee account. These positions will be allocated to district and field offices to provide administrative support for the deposits of fee receipts, and other funds, property management, supply, adverse actions, bond accountability, health and safety, personnel suitability, fiscal and budget activities that are performed on a daily basis in the field offices. Studies of the INS administrative

infrastructure done by the Justice Management Division and by the Service have revealed that there is a gap which has developed which is being met by detailing officer corps personnel to carry out administrative duties. This is a costly expedient in view of the impact of the diversion of valuable personnel from their service-related duties.

An increase of $109,000 for the vehicle replacement base is requested to acquire and equip 12 vehicles that exceed the established vehicle replacement schedules. The requested resources will enable INS to improve the replacement timeframe for the vehicle fleet in the Immigration Examinations Fee account and maintain a reasonable replacement cycle.

Immigration and Naturalization Service
Immigration Examinations Fee

Financial Analysis – Program Investments
(Dollars in thousands)

Item	SERVICE TO THE PUBLIC								INFRASTRUCTURE			
	INSPASS Inspections		Outreach Improvement Adjud & Natz		Prompt Adjudications Int'l Affairs & Outreach		Prompt Adjudications Data & Comm Systems		Automated Info Srvc Information & Records		Staffing Needs Management & Admin		Program Investments	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
Grades														
GS-13					10	$487					9	$431	19	$918
GS-12					42	1,720							42	1,720
GS-11					15	512							15	512
GS-9					30	847					33	750	63	1,597
GS-7					16	369							16	369
GS-5					50	932							50	932
GS-4			4	$68									4	68
Locality Pay				2		97						35		134
Total positions and annual rate			4	70	163	4,964					42	1,216	209	6,250
Lapse (+/-)			-2	-37	-33	-1,371					-21	-728	-56	-2,135
Other than permanent														
Other personnel compensation														
Total workyears and personnel compensation			2	33	130	3,593					21	488	153	4,114
Personnel benefits				10		1,114						151		1,275
Travel and transportation of persons				40		385								425
GSA Rent				36		1,088						374		1,498
Comm., utilities, and misc charges				3		80						28		111
Printing & Reproduction						16								16
Other services				89		702		$750		$1,540		132		3,213
Supplies and materials				7		277						71		355
Equipment		$1,400		32		1,585		250		500		441		4,208
Total program workyears and obligations changes requested, 1995		1,400	2	250	130	8,840		1,000		2,040	21	1,685	153	15,215

Immigration and Naturalization Service
Immigration Examinations Fee
Priority Ranking
Fiscal Year 1995

Program Investments

Program	Investment	Pos.	WY	($000's)	RANKING
Int'l Affairs & Outreach	– Asylum	163	130	$8,840	1
Mgmt & Administration	– Provide staffing and support to field offices	42	21	1,576	2
Information & Records	– Forms Center (contract)	...	...	1,540	3
Information & Records	– Telephone Equip. (Automated Call Distribution Sys.)	...	...	500	4
Data & Communications	– Develop data sharing on Visas with Dept. of State	...	...	1,000	5
Inspections	– INSPASS	...	...	1,400	6
Adjudications & Natz.	– Improve outreach capacities	4	2	250	7
Mgmt & Administration	– Vehicle Fleet Replacments	...	...	109	8
	Total	209	153	15,215	

Immigration and Naturalization Service
Immigration Examinations Fee
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Appropriation Anticipated	1995 Base	1995 Program Change	1995 Total
Attorneys (905)	32	32	32	...	32
Asylum Officer (930)	149	149	149	97	246
Other Legal and Kindred (900–999)	...	8	8	..	8
Contact Representative (962)	226	226	226	...	226
General Enforcement & Support (1800–1899)	2	2	2	...	2
Criminal Investigators (1811)	100	100	100	...	100
Immigration Inspectors (1816)	241	441	441	...	441
Immigration Examiners (1816)	1,397	1,397	1,397	...	1,397
Personnel Management (200–299)	30	30	30	9	39
General Administrative and Clerical (300–399)	1,687	1,690	1,690	86	1,776
Accounting and Budget (500–599)	6	6	6	11	17
Business and Industry Group (1100–1199)	2	2	2	6	8
Equipment Facilities and Service (1600–1699)	2	2	2	...	2
Supply Group (2000–2099)	1	1	1	..	1
Total	3,875	4,086	4,086	209	4,295
Washington	166	174	174	11	185
U.S. Field	3,614	3,817	3,817	198	4,015
Foreign Field	95	95	95	...	95
Total	3,875	4,086	4,086	209	4,295

Immigration and Naturalization Service
Immigration Examinations Fee
Summary of Change 1994 – 1995
(Dollars in thousands)

	Perm Pos.	Work-years	Amount
1994 Appropriation enacted	4,086	3,857	$322,152
Adjustments to base			
Mandatory increases			
1995 Pay Raise	.	...	2,839
1995 Locality Pay	...	...	898
Within- grade increases	...	...	2,594
Annualization of 1994 Positions	...	153	6,641
Foreign Allowance	.	...	24
Accident Compensation	.	..	322
Unemployment Compensation	.	...	83
GSA Rent	...		1,801
Distributed Administrative Support	.	..	190
General Pricing Level Adjustments	...	..	2,427
Total, mandatory increases	.	153	17,819
Decreases:			
One Less Compensable Day	..	.	-672
Nonrecurring cost of equipment for new positions approved in 1994	...	..	-1,298
Total, mandatory decreases	.	...	-1,970
1995 Base	4,086	4,010	338,001
1995 Program Investments	209	153	15,215
1995 Request	4,295	4,163	353,216

Immigration and Naturalization Service
Immigration Examinations Fee
Justification of Adjustments to the Base
(Dollars in thousands)

Mandatory Increases:	Work-Year	Amount
1995 Pay Raise	...	$2,839
This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $2,839,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($2,217,000 pay and $622,000 benefits = $2,839,000).		
1995 Locality Pay	...	898
The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, locality costs for three-quarters of the year have been absorbed in the general expense areas. This was a permanent base reduction. For 1995, one-quarter year costs totalling $898,000 is requested for locality pay.		
Within-Grade Increase	...	2,594
This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $2,025,000 for pay and $569,000 for benefits.		
Annualization of 211 additional positions approved in 1994	153	6,641
This provides for the annualization costs of 211 positions approved in the 1994 Appropriation for the following programs: Inspections and Legal Proceedings.		

	Approved 1994 Increases	Annualization Required
Annual salary rate of 211 approved positions	$5,807	$4,219
Less Lapse (75%)	4,219	...
Net Compensation	1,588	4,219
other personnel compensation	364	1,091
Associated employee benefits	493	1,307
Travel	1,349	...
GSA Rent	1,861	18

Communications/Utilities.....	137	2
Other Services.....	9,678	..
Supplies/Materials.....	445	4
Equipment.....	1,116	...
Total costs subject to annualization	17,031	6,641

	Work-Year	Amount
Foreign allowances..... Allowances for Government employees in foreign areas are determined by the Department of State (DOS). The requested increase of $24,000 provides five-percent over the obligations of $480,000, which is projected for 1994.	...	24
Accident Compensation..... This increase reflects the billing provided by the Department of Labor (DOL) for the actual costs in 1993 of employees' accident compensation. This increase is required to meet our commitment to DOL.	..	322
Unemployment Compensation..... This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $83,000 is required to meet our commitment to DOL.	...	83
General Services Administration (GSA) rent..... GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $1,801,000 is required to meet our commitment to GSA.	...	1,801
Distributed Administrative Support..... Under the Foreign Affairs Administrative Support agreement an annual charge is made by the DOS for administrative support items. The amount of this charge is determined by the DOS. DOS advises that a 10-percent increase in foreign operations costs is anticipated. The increase of $190,000 is base on a 1994 availability of $1,900,000.	...	190
General pricing level adjustments..... This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	2,427
Total Mandatory Increases.....	153	17,819

	Work-Year	Amount
Decreases:		
One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $525,000 for pay and $147,000 for benefits.	...	-672
Nonrecurring costs of new positions anticipated in 1994..... Nonrecurring costs are associated with 211 positions approved in the 1994 Appropriation for the Inspections and Legal Proceedings programs. These include nonrecurring costs for full-field investigations, personal equipment and transfers.	...	-1,298
Total decreases.....	...	-1,970
Total, adjustments to the base.....	153	15,849

Immigration and Naturalization Service
Immigration Examinations Fee
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount
ES-1, $92,900	3		3		3		...	
GM/GS-15, $66,609-86,589	12		12		12		...	
GM/GS-14, $56,627-73,619	94		94		94		...	
GM/GS-13, $47,920-62,293	195		195		214		19	
GS-12, $40,298-52,385	428		428		470		42	
GS-11, $33,623-43,712	1,023		1,023		1,038		15	
GS-9, $27,789-36,123	390		598		661		63	
GS-8, $25,159-32,710	5		5		5		...	
GS-7, $22,717-29,530	617		617		633		16	
GS-6, $20,443-26,572	144		144		144		...	
GS-5, $18,340-23,839	616		616		666		50	
GS-4, $16,393-21,307	307		310		314		4	
GS-3, $14,603-18,986	40		40		40		...	
GS-2, $13,382-16,843	1		1		1		...	
Locality Pay	...		...		...		...	
1995 Pay Raise	...		...		...		...	
Total, positions	3,875	$119,623	4,086	$129,476	4,295	$138,958	209	$9,482
Pay above stated annual rates	...	455	...	...	...	...	...	...
Lapses	-614	-11,815	-391	-11,676	-294	-8,947	-56	2,729
Savings due to lower pay scale part of year	...	-1,175	...	...	...	...	...	...
Net full-time permanent	3,261	107,088	3,695	117,800	4,001	130,011	153	12,211
Other than permanent:								
Temporary employment	451	14,782	162	6,656	162	6,876	...	220
Other personnel compensation:							...	
Overtime	284	4,216	292	6,422	316	7,422	24	1,000
Adminstratively uncontrollable overtime	49	2,467	49	2,190	49	2,525	...	335
Other compensation	31	1,111	31	1,148	31	1,224	...	76
Special personal services payments	...	1	...	90	...	90	...	...
Total, workyears and personnel compensation	4,076	129,665	4,229	134,306	4,559	148,148	330	13,842
Average ES Salary		($92,900)		($97,266)		($97,266)		
Average GS/GM Salary		($30,870)		($31,229)		($32,460)		
Average GS/GM Grade		(7.82)		(8.68)		(8.74)		

Note. Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed

Immigration and Naturalization Service

Immigration Examinations Fee

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	3,261	$107,088	3,695	$117,800	4,001	$130,011	306	$12,211
11.3 Other than full-time permanent	451	14,782	162	6,656	162	6,876	...	220
11.5 Other personnel compensation	364	7,794	372	9,760	396	11,171	24	1,411
11.8 Special personal services payments		1		90	...	90	...	...
Total, workyears and personnel compensation	4,076	129,665	4,229	134,306	4,559	148,148	330	13,842
12 Personnel benefits		32,408		37,678		41,930		4,252
13 Benefits for former personnel		197		1,665		1,665		
21 Travel and transportation of persons		4,944		9,299		9,756		457
22 Transportation of things		967		1,153		1,184		31
23.1 GSA rent		19,351		24,605		27,922		3,317
23.2 Rental payments to others		2,483		1,352		1,396		44
23.3 Comm., utilities and misc. charges		5,831		8,174		8,518		344
24 Printing and reproduction		3,746		3,796		3,910		114
25 Other services		76,237		90,601		95,243		4,642
26 Supplies and materials		11,020		4,815		5,322		507
31 Equipment		12,671		4,609		8,123		3,514
32 Land and structures		57		...		...		..
42 Insurance claims and indemnities		38		10		10		.
44 Refunds		171		89		89		...
91 Unvouchered		9		...		...		...
Total obligations		299,795		322,152		353,216		31,064
Relation of obligations to outlays:								
Total obligations		299,795		322,152		353,216		
Adjustment in expired accounts		−5,443		...		...		
Outlays		294,352		322,152		353,216		

Note Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed

Department of Justice
Immigration and Naturalization Service
Land Border Inspection Fee
Estimates for Fiscal Year 1995

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Immigration and Naturalization Service

Land Border Inspection Fee

Summary Statement

Fiscal Year 1995

The Land Border Inspection Fee account was authorized in Section 210 of the Department of Justice Appropriations Act, 1991 (P.L. 101-515). The Act authorizes the Attorney General to establish, by regulation, pilot projects under which fees may be charged at one or more land border ports-of-entry to study the feasibility of charging fees to provide inspection services at land border ports-of-entry. The regulations indicate that the projects may include the establishment of commuter lanes to be made available to pre-qualified United States citizens and aliens.

The Immigration and Naturalization Service (INS) is operating one site in Blaine, Washington. In 1994, additional commuter lanes are planned at the following locations: Point Roberts, Washington; the Detroit Tunnel; the Ambassador Bridge in Detroit; and Buffalo, New York. Land Border Inspection Fee funding has been spent on such items as personnel, overtime, equipment, and minor facility modifications.

The original authorization for the Land Border Inspection Fee Project terminated on September 30, 1993. The Department of Justice Appropriations Act, 1994 (P.L. 103-121) extended the Land Border Fee Pilot Project to September 30, 1996 for projects on the northern border of the United States only.

Immigration and Naturalization Service
Land Border Inspection Fee
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request		Adjustment to Receipt Level		Reprogrammings		1994 Appropriation Anticipated	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
Enforcement								
Inspections	80	$9,131	−50	−$7,631	...	...	30	$1,500

Immigration and Naturalization Service
Land Border Inspection Fee
Summary of Requirements
(Dollars in thousands)

	WY	Amount
1994 Appropriation anticipated	30	$1,500
Mandatory increases	...	92
Decreases (automatic, non-policy)	...	-7
1995 base	30	1,585

	1994 Appropriation Aniticipated		1995 Base		1995 Request		Increase/Decrease	
Estimates by budget activity	WY	Amount	WY	Amount	WY	Amount	WY	Amount
Enforcement:								
Inspections	30	$1,500	30	$1,585	30	$1,585	...	...

Immigration and Naturalization Service
Land Border Inspection Fee
Summary of Requirements
(Dollars in thousands)

	1993 Actual Amount	1994 Appropriation Anticipated Amount	1995 Request Amount
Financing			
Unappropriated balance, start of year	$149	$527	$867
Receipts	619	1,840	1,800
Total available for appropriation	768	2,367	2,667
Appropriation	−241	−1,500	−1,585
Unappropriated balance available, end of year	527	867	1,082
Obligations by program			
Enforcement:			
Inspections	241	1,500	1,585
Total obligations	241	1,500	1,585

Obligations shown for 1995 differ from President's Budget since locality pay is not being absorbed in this account.

Immigration and Naturalization Service
Land Border Inspection Fee
Summary of Resources by Program
(Dollars in thousands)

Estimates by program	1993 as Enacted		1993 Actual		1994 Appropriation Anticipated		1995 Base		1995 Request		Increase/Decrease	
	WY	Amount	WY	Amount	WY	Amount	WY	Amount	WY	Amount	WY	Amount
Enforcement												
Inspections	31	$4,000	5	$241	30	$1,500	30	$1,585	30	$1,585		.
Total obligations	31	4,000	5	241	30	1,500	30	1,585	30	1,585		
Other Workyears												
Overtime	13				13		13		13			...
Total compensable workyears	44		5		43		43		43			.

Immigration and Naturalization Service
Land Border Inspection Fee
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

Activity: Enforcement

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections.....	...	30	$1,500	...	30	$1,585	...	30	$1,585	...	...	...

LONG-RANGE GOAL: Ensure that the entry of applicants for admission into the United States is controlled in a manner that is consistent with the National interest, facilitate the entry of qualified applicants, and identify and deny admission to those not qualified.

MAJOR OBJECTIVES:
Establish Land Border Inspection Fee Pilot projects that will expand the number of inspectors at specific test locations, facilitate traffic flow, and provide more efficient service to the public.

Inspect applicants for admission into the United States.

Prevent the entry of inadmissible applicants through ports-of-entry.

Detect fraudulent documents including those representing false claims to United States citizenship or permanent residence status and seize conveyances used for illegal entry.

Process and adjudicate applications for benefits submitted directly to the INS at land border ports-of-entry.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Inspections program are presented in the following table:

Item	1992	1993	1994	1995 Base	Change	1995 Request
Vehicles Inspected-Land Border Fee (DCL).....	433,011	620,421	700,000	2,000,000	...	2,000,000
Applications Processed-Land Border Fee.....	...	...	73,000	97,100	...	97,100

Explanation: During 1991, INS developed the initial test prototype for the Blaine, Washington port-of-entry. The Blaine commuter prototype involves, on an annual basis, issuance of special express lane decals to an estimated 70,000 vehicles. These vehicles are low risk frequent crossers and represent an average of 23 percent of the total vehicle traffic processed annually at Blaine. Permit vehicles are funnelled through special express lanes to allow for more efficient processing into the United States.

The first Dedicated Commuter Lane (DCL) in Blaine, Washington, opened on June 15, 1991. The actual crossings for 1991 were 56,296. During 1992, the number of participants in Blaine rose as did the frequency of crossing, with the resulting number of vehicle crossings reaching 481,936. The number of DCL vehicle crossings expected in 1993 is approximately 1,100,000 generated by 10,000 participants in the program.

In 1994 and 1995 work with the Customs Service will continue with the opening of four additional projects in 1994, and another four in 1995. Should eight DCLs be open, such crossings would rise to approximately 4,000,000. Projected DCL receipts totaling an estimated $2,677,000 contained in this budget request for 1995 are based on 97,100 fee paying participants at multiple pilot locations on the Northern border.

Based on an analysis of the results of the Blaine commuter test, INS believes that further use of the Land Border Fee concept is warranted. While the DCL can be used to facilitate traffic at ports-of-entry, it is not practical to implement DCLs at every port-of-entry. Considerations for determining DCL locations include: availability of a low-risk, frequent border crossing population; adequate infrastructure, such as roads and additional lanes, that will permit implementation without negative impact on existing inspection lanes while providing the desired expedited service to the target population; and local community support. Additional test projects will be selected and developed in conjunction with the U.S. Customs Service.

Use of special express facilities by commuters, staffed and equipped with resources collected through the collection of a $25 annual fee, is expected both to improve service to the frequent crossers and alleviate the traffic load passing through the main port requiring full inspection.

The DCL Program enables local frequent border crossers who choose to participate in the pilot project to move quickly across the international border into the United States. At the same time, by removing this population from the regular lanes, higher risk crossers, along with persons who cross less frequently or who may be applying for entry into the United States, can then be given increased scrutiny. This sorting system enables all lanes to move more quickly and steadily, and enhances service to the public by improving both facilitation of entry and increased enforcement capability.

Immigration and Naturalization Service

Land Border Inspection Fee

Summary of Change
(Dollars in thousands)

	Work-years	Amount
1994 appropriation anticipated	30	$1,500
Adjustments to base:		
Mandatory Increases:		
1995 Pay raise	..	19
1995 Locality Pay	...	1
Unemployment compensation	...	2
General pricing level increases	...	70
Total, increases	...	92
Decreases:		
One less compensable day	...	−7
Total, decreases	...	−7
1995 Base	30	1,585

Immigration and Naturalization Service
Land Border Inspection Fee
Justification of Adjustments to the Base
(Dollars in thousands)

	Work-Year	Amount
Mandatory Increases:		
1995 Pay Raise..... This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $19,000 represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($11,000 pay and $8,000 benefits = $19,000).	...	$19
1995 Locality Pay..... The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, locality costs for three-quarters of the year have been absorbed in the general expense areas. This was a permanent base reduction. For 1995, one-quarter year costs totalling $1,000 is required for Locality pay.	...	1
Unemployment Compensation..... This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $2,000 is required to meet our commitment to DOL.	...	2
General pricing level adjustments..... This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	70
Total Mandatory Increases.....	...	92
Decreases:		
One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes	...	-7

appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $6,000 for pay and $1,000 for benefits.

Total decreases	...	-7
Total, adjustments to the base	...	5

Immigration and Naturalization Service
Land Border Inspection Fee
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
Other than permanent:								
Temporary employment	5	$147	30	$917	30	$927	...	...
Other personnel compensation:								
Overtime		20	3	118	3	119	...	..
Special personal services payments		..	...	..	...	...	...	...
Total, workyears and personnel compensation	5	167	33	1,035	33	1,046	..	..

Immigration and Naturalization Service
Land Border Inspection Fee
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Appropriation Anticipated Workyears	1994 Appropriation Anticipated Amount	1995 Request Workyears	1995 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.3 Other than permanent:								
Other part-time and intermittent employment	5	$147	30	$917	30	$927	.	.
11.5 Other personnel compensation:								
Overtime		20	3	118	3	119	...	..
Total, workyears and personnel compensation	5	167	33	1,035	33	1,046	..	.
12.1 Personnel benefits		30		187		191	.	.
21.0 Travel		9		58		58	...	...
23.2 Rental payments to others		3		3		3	..	..
25.0 Other services		4		24		93	...	..
26.0 Supplies and materials		14		91		91	..	...
31.0 Equipment		14		102		103	...	..
Total obligations	5	241	33	1,500	33	1,585	...	...
Relation of obligations to outlays:								
Obligations		241		1,500		1,585		
Outlays		241		1,500		1,585		

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Department of Justice
Immigration and Naturalization Service
Breached Bond/Detention Fund
Estimates for Fiscal Year 1995

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Immigration and Naturalization Service

Breached Bond/Detention Fund

Summary Statement

Fiscal Year 1995

The Breached Bond/Detention Fund was authorized in Section 112 of the Department of Justice Appropriations Act, 1993 (P.L. 102-395). The Act amends Section 286 of the Immigration and Nationality Act of 1952, as amended, by establishing in the General Fund of the Treasury a separate account known as the Breached Bond/Detention Fund. All breached cash and surety bonds, in excess of $8,000,000, posted under the Immigration and Nationality Act of 1952, as amended, which are recovered by the Department of Justice are deposited as offsetting receipts into the Fund. Amounts deposited into the Fund remain available, until expended, to the Immigration and Naturalization Service for expenses incurred in the collection of breached bonds and for expenses associated with the detention of illegal aliens.

The Immigration and Naturalization Service (INS) uses immigration delivery and exclusion bonds as a means of ensuring that illegal aliens appear at deportation and exclusion hearings. Aliens in custody of INS may be released on their own recognizance or through the posting of delivery bonds, which are either cash or surety bonds (and limited number of Treasury bonds or notes). These bonds become contracts between INS and persons acting on aliens' behalf (obligors) who promise their appearances. Under a cash bond, an obligor deposits the entire amount in cash with INS. If the alien fails to appear as scheduled, the bond is breached and the Government retains the amount of the posted bond. Under a surety bond, the surety (insurance) company guarantees the amount of the bond and if the alien fails to appear as required, the surety is liable to INS for the breached bond amount.

The authorization for the Service to retain these resources has provided the agency with the means to effect improvements in bond processing and debt management. In 1995, resources will be used to support the detention of criminal and illegal aliens, to continue bond management and collection activities, to support the use of litigation to obtain compliance from surety companies found delinquent in meeting their responsibilities to the INS, and to continue the operation of automated systems to support these activities.

Immigration and Naturalization Service
[illegible]
Comparison of Fees Changes
Dollars in thousands

Activity/Program	Fees Employees Budget Request			Employee earnings			Fees/Appropriation Anticipated		
	[illegible]	WY	Amt	[illegible]	WY	Amt	Fees	WY	Amt
1. Enforcement									
a. Detention and Deportation	[illegible]	[illegible]	$1,[illegible]				[illegible]	[illegible]	$1,[illegible]
[illegible]									
a. Legal Proceedings	4	4	[illegible]				4	4	359
[illegible]									
a. Management and Administration	12	12	[illegible]				12	12	3,574
Total	48	[illegible]	[illegible]				48	42	5,[illegible]

Immigration and Naturalization Service
Breached Bond Detention Fund
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos	Work-years	Amount
1994 appropriation anticipated	48	42	$5,900
Mandatory increases	...	6	448
Decreases (automatic, non-policy)	..	...	-113
1995 base	48	48	6,235

Estimates by budget activity	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos	WY	Amount	Perm Pos.	WY	Amount
1. Enforcement	32	26	$1,967	32	32	$2,209	32	32	$2,209	..	...	...
2. Immigration Support	4	4	359	4	4	365	4	4	365	..	...	...
3. Program Direction	12	12	3,574	12	12	3,661	12	12	3,661	...	...	...
Total	48	42	5,900	48	48	6,235	48	48	6,235	..	..	..

Obligations shown for 1995 differ from President's Budget since locality pay is not being absorbed in this account.

Immigration and Naturalization Service
Breached Bond/Detention Fund
Summary of Requirements
(Dollars in thousands)

	1993 Actual	1994 Appropriation Anticipated	1995 Request
Financing			
Unappropriated balance, start of year	...	$4,461	$4,461
Collections	$14,048	13,900	14,300
Total available for appropriation	14,048	18,361	18,761
Transfer to the General Fund of the U.S. Treasury	−8,000	−8,000	−8,000
Available receipts	6,048	10,361	10,761
Appropriation	−1,587	−5,900	−6,235
Unappropriated balance available, end of year	4,461	4,461	4,526
Obligations by program			
Enforcement:			
Detention and Deportation	1,237	1,967	2,209
Immigration Support:			
Legal Proceedings	...	359	365
Program Direction:			
Management and Administration	350	3,574	3,661
Total obligations	1,587	5,900	6,235

Obligations shown for 1995 differ from President's Budget since locality pay is not being absorbed in this account.

Immigration and Naturalization Service
Breached Bond/Detention Fund
Summary of Resources by Program
(Dollars in thousands)

	1993 As Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
Estimates by Program	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Enforcement:																		
Detention and Deportation	20	10	$1,040	20	.	$1,237	32	26	$1,967	32	32	$2,209	32	32	$2,209			
Immigration Support:																		
Legal Proceedings... . ..	4	2	333	4		.	4	4	359	4	4	365	4	4	365			
Program Direction:																		
Management and Administration	12	6	3,627	12	1	350	12	12	3,574	12	12	3,661	12	12	3,661	...	...	...
Total obligations.. .	36	18	5,000	36	1	1,587	48	42	5,900	48	48	6,235	48	48	6,235	.		
Other workyears:																		
Overtime		2			1			5			6			6			...	
Total compensable workyears .		20			2			47			54			54				

Immigration and Naturalization Service
Breached Bond/Detention Fund
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

Activity: Enforcement

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation.....	32	26	$1,967	32	32	$2,209	32	32	$2,209	...	...	...

LONG-RANGE GOAL: To detain, until ready for removal aliens who are subject to exclusion or deportation proceedings and who are likely to abscond or represent a danger to public safety and security. Maintain and further develop a system that ensures that every case involving a deportable or excludable alien is processed expeditiously and that the alien is removed from the United States when appropriate, and to collect debts owed to the Federal government.

MAJOR OBJECTIVES:
Provide for the safe and secure detention, in Service operated or contract facilities, of aliens under exclusion or deportation proceedings in custody for a hearing before an immigration judge.

Take necessary administrative steps to assure the collection of breached bonds in those cases where aliens, previously released on cash or surety bonds, do not appear for scheduled hearings.

BASE PROGRAM DESCRIPTION:
Detention and Deportation program personnel, located in Service field offices, process all required documents needed to issue cash or surety bonds to permit the release of aliens in deportation or exclusion proceedings. These personnel are also responsible for reviewing aliens' files and taking appropriate actions to cancel bonds when their provisions have been satisfied and to breach bonds in the event that the aliens do not appear as required.

ACCOMPLISHMENTS:
During 1993 the Detention and Deportation program received funding for overtime as a part of a review of alien files to determine which cases involved bonds, followed by appropriate actions to cancel or breach bonds. The review effort was focused on seven district offices in which more than 70 percent of the Service's bond activity is managed. Resources were also used for alien travel and detention costs. It is anticipated that in 1994 and 1995 resources will continue to be committed to bond management in the field offices and for alien travel and detention costs.

Activity: Immigration Support

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings..	4	4	$359	4	4	$365	4	4	$365	...	...	...

LONG-RANGE GOAL: To provide legal representation for the United States Government in all cases and matters involving proceedings related to the Immigration and Nationality Act and INS's debt collection activities.

MAJOR OBJECTIVES:
Provide legal support and representation in proceedings involving the collection of debts owed to the Federal government.

BASE PROGRAM DESCRIPTION:
In debt collection actions, INS attorneys represent the Service in the courts in litigation being conducted against all parties found delinquent in meeting their financial responsibilities to the Federal government. These attorneys undertake significant legal actions to collect sizeable debts from surety companies who issue immigration delivery and exclusion bonds.

ACCOMPLISHMENTS:
During 1993 the Legal Proceedings program continued efforts to collect delinquent debts from surety companies. Legal action was pursued against two major companies, involving payments totalling a potential $2,500,000. In 1994 and 1995 it is anticipated that litigation involving delinquent companies will continue.

Activity: Program Direction

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration...	12	12	$3,574	12	12	$3,661	12	12	$3,661	...	...	...

LONG-RANGE GOAL: To create an opportunity incentive to collect the maximum amount in breached bonds and use the collections to perfect the forfeiture process, offset the costs of collection, and provide resources for the detention of illegal aliens.

MAJOR OBJECTIVES:
Direct implementation of Servicewide policy as it relates to collection of breached bonds and ensure its effective and uniform application.

Establish a system to track, report, and bill breached surety bonds posted by aliens.

Continue improvements in the forfeiture and collection process to allow increased resources to be directed toward the detention of criminal and other illegal aliens.

BASE PROGRAM DESCRIPTION:
The inability of the Immigration and Naturalization Service (INS) to collect the resources owed through the breaching of surety bonds and bankruptcy of surety companies represents the largest single loss of revenue to the Service's debt collection efforts. The General Accounting Office (GAO) has criticized the INS debt management efforts, stating that the Service did not know the total amount of debts due, including the total amount of breached bonds. The report further stated that a major problem in the collection of these debts was the lack of automated systems and the lack of fiscal accountability. The report noted the existence of outmoded accounting systems, weak internal controls, and a lack of emphasis on financial management.

The weaknesses in accounting systems, internal controls, and financial management, noted above, are compounded by the complexity of the immigration and exclusion bond process. The Service uses immigration delivery and exclusion bonds as a means of ensuring that illegal aliens appear at deportation and exclusion hearings. Aliens in custody of INS may be released on their own recognizance or through the posting of delivery bonds, which are either cash or surety bonds (and limited number of Treasury bonds or notes). These bonds become contracts between INS and persons acting on aliens' behalf (obligors) who promise their appearances. Under a cash bond, an obligor deposits the entire amount in cash with INS. If the alien fails to appear as scheduled, the bond is breached and the Government retains the amount of the posted bond. Under a surety bond, the surety (insurance) company guarantees the amount of the bond and if the alien fails to appear as required, the surety is liable to INS for the breached bond amount. The surety company is billed for the bond amount, and interest and penalties are assessed on past due amounts. INS also uses other types of bonds such as Public Charge Bonds. However the majority of bonds issued are delivery bonds.

Immigration delivery bonds are posted on behalf of detained aliens in deportation proceedings. Immigration exclusion bonds are posted on behalf of aliens in exclusion proceedings. (These differ from immigration delivery bonds in the following ways: (a) the sections of law governing the exclusion proceedings of the beneficiary; (b) the limited ability of an alien in exclusion proceedings to seek administrative redetermination of the amount of the bond (An alien in deportation proceedings may seek redetermination of the amount of bond before an immigration judge.); and, (c) the ability of an alien in exclusion proceedings to convert an exclusion bond to a maintenance of status and departure bond in the event that the alien is admitted to the U.S. as a non-immigrant. An alien who has posted a delivery bond may not convert that bond to another type of bond.)

Bonds remain in effect until one of the following occurs: (a) the alien for whom the bond is being posted departs the United States in compliance with an administrative grant of voluntary departure or with a court order); (b) the alien's proceedings are terminated by the Executive Office for Immigration Review (EOIR); (c) the alien has acquired legal immigration status resulting in his or her no longer being subject to custody conditions; (d) the alien is deceased and evidence of death is provided to the INS office having the jurisdiction over the case; (e) a new bond has been posted to replace an existing bond; (f) the expiration of constructive custody authority; or, (g) the bond is breached. The bond is declared breached when a Notice of Demand has been served on the obligor, and the obligor fails to deliver the alien to the Service in accordance with the demand. The Notice specifies the date, time, and location to which the alien is to be delivered.

ACCOMPLISHMENTS:
The Service has begun addressing the debt issue by developing the INS Debt Collection System (DCOS) and the Bond Management Information System (BMIS). The BMIS is designed with a centralized bond data base, access to all major organizational levels, on-line updates, quick response times, the ability to make ad hoc inquiries, a wide range of bond information, and interface capability with other systems (National Fines Office, Deportable Alien Control System, Central Index System, Debt Collection System) sharing common data. Currently BMIS is planned to be implemented during the third quarter of FY 1994.

The collection of delinquent debts, particularly breached bonds, has been established as a high management priority. Currently many surety companies are delinquent in their payments to INS. The Service has a large backlog of outstanding surety bonds because of poor collection practices. The INS has begun to address this weakness. However, considerable future effort will be required to reduce the backlog.

It is anticipated that eliminating the backlog will take two to three years. When this backlog has been addressed, it is expected that bond collections will decline to a level which reflects the continuous activity of breaching and collecting bonds as part of an efficient, redesigned agency debt collection effort.

While INS has improved the debt collection process, with high priority placed on the collection of breached bonds, there are problems which continue to exist with the bond process. For example, some immigration judges redetermine bonds to lower amounts. There is a lack of bed space in some locacions which leads to the issuance of bonds to aliens who are likely to abscond. There is a need for additional ways to ensure timely payment of bills by surety companies.

In FY 1993, the reorganization of the Office of Finance created a Debt Collection Branch which oversees debt collection activities within INS. During the year, work continued on the development of the DCOS and the BMIS. New policies and procedures were developed to streamline the breaching of bonds.

In an on-going effort, alien files are being reviewed to determine which cases involved bonds. Cancellation or collection actions were taken as appropriate. The focus of this activity has been the seven district offices in which more than 70 percent of the bond activity is managed. These offices are: New York City, Los Angeles, Miami, Harlingen, Houston, San Francisco, and Phoenix. These efforts will continue in 1994.

Cooperation between offices involved with bond issuance, receipt, and processing was enhanced. Improved, firmer collection practices were adopted to address problems with surety companies. Aggressive legal action was pursued against delinquent surety companies. In 1993 legal action was initiated against two major companies, involving payments totalling a potential $2,500,000.

In 1994, it is anticipated that the DCOS and the BMIS will both be fully implemented. Efforts will also continue to increase legal actions against delinquent surety companies to maintain pressure to meet their obligations to the Service. During 1994 the performance of the BMIS will be evaluated and the system will be enhanced as needed to improve billing and collection activities.

In 1995, activities of the Debt Collection Branch will be focussed on the evaluation and improvement of debt management and collection procedures and processes. The DCOS and the BMIS will be evaluated and improved as needed. Continuing work with the field offices is anticipated to assure that bond information is updated and bonds are breached in a timely manner.

Immigration and Naturalization Service
Breached Bond/Detention Fund
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Appropriation Anticipated	1995 Request
Attorneys (905)	2	2	2
Paralegal Specialists (950)	2	2	2
Detention & Deportation Officer (1801)	10	16	16
General Administrative and Clerical (300–399)	10	16	16
Accounting & Budget (500–599)	12	12	12
Total	36	48	48
Washington	16	16	16
U.S. Field	20	32	32
Total	36	48	48

Immigration and Naturalization Service

Breached Bond/Detention Fund

Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1994 appropriation anticipated	48	42	$5,900
Adjustments to base:			
Mandatory Increases:			
1995 Pay raise	...	...	29
1995 Locality Pay	...	...	3
Within-grade increases	...	...	32
Annualization of 1994 positions	...	6	299
Unemployment compensation	...	...	3
General pricing level increases	...	...	82
Total, mandatory increases	...	6	448
Decreases:			
Nonrecurring costs of 1994 positions	...	...	-104
One less compensable day	...	...	-9
Total, decreases	...	...	-113
1995 Base	48	48	6,235
1995 Request	48	48	6,235

Immigration and Naturalization Service
Breached Bond/Detention Fund
Justification of Adjustments to the Base
(Dollars in thousands)

	Work-Year	Amount
Mandatory Increases:		
1995 Pay Raise..... This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $29,000 represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($21,000 pay and $8,000 benefits = $29,000).	...	$29
1995 Locality Pay..... The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, locality costs for three-quarters of the year have been absorbed in the general expense areas. This was a permanent base reduction. For 1995, one-quarter year costs totalling $3,000 are required for locality pay.	...	3
Within-Grade Increase ..... This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $23,000 for pay and $9,000 for benefits.	...	32
Annualization of 12 additional positions anticipated in 1994..... This provides for the annualization costs of 12 positions approved in the 1994 President's budget for the Detention & Deportation program.	6	299

	Anticipated 1994 Increase	Annualization Required
Annual salary rate of 12 approved positions.....	$365	$190
other personnel compensation.....	32	32
Less Lapse (52%).....	-190	...
Net Compensation.....	207	222
Associated employee benefits...	77	77
Total costs subject to annualization	284	299

	Work-Year	Amount
Unemployment Compensation..... This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $3,000 is required to meet our commitment to DOL.	...	3
General pricing level adjustments..... This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	82
Total Mandatory Increases.....	6	453
Decreases:		
One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $7,000 for pay and $2,000 for benefits.	...	-9
Nonrecurring costs of new positions anticipated in 1994..... These are nonrecurring costs of 12 positions approved in the 1994 President's budget. These are nonrecurring costs for full- field investigations and personal equipment for these programs.	...	-104
Total decreases.....	...	-113
Total, adjustments to the base.....	6	335

Immigration and Naturalization Service
Breached Bond/Detention Fund
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount
GS/GM-14, $56,627-73,619	2		2		2		...	
GS/GM-13, $47,920-62,293	12		12		12		...	
GS-12, $40,299-52,385	10		16		16		...	
GS-9, $27,789-36,123	2		2		2		...	
GS-6, $20,443-26,572	10		16		16		...	
Locality pay	...	...	...	$12	...	$12	...	
1995 pay raise	...	...	...	...	...	28	...	
Total, positions	36	$1,409	48	1,792	48	1,841	...	$49
Pay above stated annual rates	...	5	...	7	...	...	...	-7
Lapses	-35	-1,341	-6	-190	...	...	6	190
Savings due to lower pay scales for part of year	...	...	...	-3	...	-7	...	-4
Net full-time permanent	1	73	42	1,606	48	1,834	6	228
Other personnel compensation:								
Overtime	1	55	5	137	6	171	1	34
Total, workyears and personnel compensation	2	128	47	1,743	54	2,005	7	262
Average GS/GM salary		($39,278)		($37,333)		($38,271)		
Average GS/GM grade		(10.6)		(9.7)		(9.7)		

Immigration and Naturalization Service
Breached Bond/Detention Fund
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Appropriation Anticipated		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	1	$73	42	$1,606	48	$1,834	6	$228
11.5 Other personnel compensation	1	55	5	137	6	171	1	34
Total, workyears and personnel compensation	2	128	47	1,743	54	2,005	7	262
12 Personnel benefits		26		585		680		95
21 Travel and transportation of persons		5		63		65		2
23.1 GSA rent		...		428		428		...
23.3 Communications, utilities and miscellaneous charges		...		28		29		1
25 Other services		1,425		2,809		2,882		73
26 Supplies and materials		...		86		88		2
31 Equipment		3		158		58		-100
Total obligations	2	1,587	47	5,900	54	6,235	7	335
Relation of obligations to outlays:								
Total obligations		1,587		5,900		6,235		
Outlays		1,587		5,900		6,235		

Obligations shown for 1995 differ from the President's Budget since locality pay is not being absorbed in this account.

OPENING STATEMENT

Mr. MOLLOHAN. We welcome for her first appearance before the Committee, Commissioner Doris Meissner.

Ms. Meissner, we will place your biography in the record, as well as your written statement. We appreciate your proceeding with your oral statement, but first if you would introduce the other witness at the table with you.

Ms. MEISSNER. Good morning. The other witness at the able is Susan Jacobs, who is our Director of Finance at the Immigration Service.

Mr. MOLLOHAN. Welcome.

Ms. MEISSNER. Thank you.

Good morning, Mr. Chairman, Members of the Committee, I am pleased to appear before you here today in support of the Administration's request for the fiscal 1995 budget for the Immigration and Naturalization Service.

Let me begin, however, by congratulating you, Mr. Chairman, on your new position, and by saying that immigration issues are important issues for the Administration at this time, as they are important to the American people. I would like to tell you that I am looking forward to and hope to foster a productive and open working relationship with this Committee; I would like to say at the outset that I regret that our first communication was over an issue last week that flared up surrounding fingerprint policy. I would like you to know—I tried to contact you earlier this week, but we weren't able to get in touch—that the policy has been put in abeyance at this time.

We are going to look further at some of the underlying numbers, and when we have finished our review, we will come back to the Committee and let you know what our thoughts are on how to proceed.

Mr. MOLLOHAN. Thank you. We look forward to talking with you about that.

Ms. MEISSNER. The Service is requesting for 1995 an appropriation, as you said, of $1.149 billion. That translates to 12,995 positions and 12,723 workyears. This represents an increase of $98.25 million and 657 positions over the 1994 levels.

The Administration's budget also requests $300 million from the Crime Control Fund for critical immigration control initiatives. $264.2 million of that is for INS and $35.8 million of that is for other Department of Justice components that support INS initiatives.

When the resources from the Service's Salaries and Expenses account are combined with the funding from the Crime Control Fund and our fee support operations, the total resources requested during 1995 will be slightly over $2.1 billion.

The Administration's 1995 immigration initiative has five major components. The premise upon which this initiative for fiscal year 1995 is built is the very straightforward notion that we believe we need to be in the business of supporting legal immigration and combating illegal immigration.

The initiative that we have put together is a five-part program which we believe accomplishes those objectives as the beginning of

a multiyear effort to strengthen the immigration system and the ability of the Immigration Service to administer an effective immigration system.

The initiative is programmatic, and I will describe the major elements to you, but the important underlying point about the initiative is that it is heavily weighted toward technology, toward investments in the Service's ability to carry out its functions and make its people more effective. It is a major effort at modernizing the Service, and it begins actually during this fiscal year, although obviously our discussions, where funding is concerned, center on the next fiscal year.

The five major elements of our program for fiscal year 1995 begin, first, with strengthening the control of the border at the Southwest border; and that is the part of the initiative for which the major beginning is already under way during this fiscal year. But in fiscal year 1995, we add to a $45 million effort that is currently being invested, and we add an additional set of Border Patrol agents, as well as considerable technology on the Southwest border, along with inspectors to help facilitate legal entry.

The Southwest border is a major focus of our activity this year and next year and after that, and it is an effort that is a careful combination of people and of technology that makes those people able to work smarter.

The second element in our initiative for the next fiscal year is to expedite the removal of criminal aliens. Criminal aliens are an issue for the Service, and an issue, in particular, for our largest States. What we are looking for in the criminal alien arena is to be working effectively, again with a great deal of technology, primarily with five States whose prison populations have the largest proportion of incarcerated alien criminals.

That criminal alien effort is one where we are going on a State-by-State basis, working out agreements and working relationships, particularly with State corrections officials. We are getting very, very good cooperation from the large States, and the money that we are asking for in this initiative will allow us by and large to automate a process of checking names of incarcerated criminals against our databases, and then follow up with judges and attorneys so that deportation hearings are held while people are serving their sentences in State institutions, so that they are prepared to be removed as soon as those sentences are complete.

The third element of the fiscal year 1995 initiative is to implement comprehensive reform of the political asylum system. These are resources that would double the capacity of the asylum system to interview incoming applicants. There is also a considerable portion of funding in this element for judges which are not part of the Immigration Service—that is, part of the Justice Department, the Executive Office for Immigration Review—and these resources would be coupled with regulatory reform which has already been announced in a proposed rule and which is presently out for comment.

So the two are intimately connected in that in order for the rule to work, we need the resources at the same time; in order for the resources to be effective, we need to streamline the system and make it be able to be a more timely system. Both of those efforts

need to operate in parallel and on schedule if this funding is given to us.

The fourth element of the fiscal year 1995 plan is to reduce the magnet of job opportunities and that, of course, has to do with employer penalties and with our ability to implement employer penalties. In this initiative, we would like to work much more effectively on fraudulent document issues. We always need to be doing as much education as possible on the anti-discrimination elements of employer penalties, and we are looking to do a better job at targeting industries that are traditionally heavily impacted by undocumented labor.

The final element of the 1995 initiative is naturalization. It is an element which is intended to, for the first time, put money directly into naturalization as a function of the Service's responsibilities. Naturalization is important at this point in history because we have large numbers of people in the country that are eligible to be naturalized. We would like to give as much information as possible on the naturalization process, so that people can come forward if they are prepared to do so. That element is half funding for the Service, to improve our capacity to deal with naturalization. Half of it is grants to put out into communities to help with public education of potential naturalization applicants.

Three of these initiatives are directed then toward controlling illegal immigration. A fourth initiative, the political asylum initiative, is an effort to continue to meet our desire as a country to give protection to refugees who deserve it, but also to remove, in a timely fashion, those who are not eligible for refugee status. Where asylum is concerned, I want to make a particular note about the reasons why we are asking for that money out of the Crime Control Fund. We believe that a country must have a timely and effective political asylum decision system, or it represents a major enforcement exposure. We do believe that the asylum system, as it presently is operating, does place us in a vulnerable position where immigration enforcement is concerned. That is the linkage that we make with crime control and with illegal immigration as a source of funding.

The final aspect of the initiative for the naturalization is part of the Salaries and Expenses appropriation.

The Service, in these initiatives, as I said earlier, is focusing heavily on technology, heavily on modernization as a way of meeting the objectives that we have outlined. This is an effort to respond in a much more proactive and much more creative way than the Service has done its business in the past. Traditionally, we have accomplished our mission through labor-intensive processes, adding more personnel, but not providing the tools and the supporting infrastructure that is needed to do an effective job.

We are, in this initiative, adding personnel. We are adding enforcement officers, other personnel, because they are needed; but we are no longer taking a piecemeal approach to addressing the problems that face this agency.

This budget provides technology, automation, and information networking with other Federal and State agencies that will intensify the impact and the effectiveness of our resources and allow the Service to work smarter.

The Service is finally requesting $686.1 million in its fee accounts. We have the amounts on those various fee accounts if you would like to go into them in some detail. I would like to note at this point, however, that we are concerned about the 1995 estimates that we have given you for one of our fee accounts, the Examinations Fee Account. We have been experiencing a stiff downward trend in the application filings that we have been receiving.

For 1994, our planned spending in this account has been reduced by over $50 million. That is well below what we projected for the 1994 budget. We may have to be make some changes. We very likely will have to make some changes in the estimates that we have given you in the Examinations Fee Account for the next fiscal year. We will keep you informed of those changes as we come to some conclusion as to exactly what those numbers will be.

That concludes my summary, and I will be pleased to answer whatever questions you might have.

Thank you.

Mr. MOLLOHAN. Thank you, Ms. Meissner.

[The biographical sketch and prepared statement of Ms. Meissner follows:]

BIOGRAPHY OF DORIS MEISSNER

On October 18, 1993, Mrs. Meissner was sworn in as Commissioner, Immigration and Naturalization Service, Department of Justice. Mrs. Meissner was the Senior Asssociate and Director, Immigration Policy Project, at the Carnegie Endowment for International Peace from 1986 to 1993. She was the Executive Associate Commissioner, Immigration and Naturalization Service from 1982 to 1985.

In 1981, she served as Acting Commissioner, Immigration and Naturalization Service. She served in the Department of Justice as the Executive Director, Cabinet Committee on Illegal Aliens in 1976, the Assistant Director, Office of Policy and Planning in 1975, and from 1973 to 1974 as White House Fellow/Special Assistant to the Attorney General. From 1971 to 1973 she held the position of Executive Director, National Women's Political Caucus, Washington, D.C. From 1964 to 1968, she served as Assistant Director, Student Finanical Aid, University of Wisconsin, Madison, Wisconsin.

Mrs. Meissner received her B.A. from the University of Wisconsin in 1963 and her M.A. from the University of Wisconsin in 1969.

STATEMENT OF
COMMISSIONER DORIS MEISSNER
BEFORE THE
HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE,
THE JUDICIARY, AND RELATED AGENCIES

I am pleased to have the opportunity to appear before you in support of the Administration's 1995 budget request for the Immigration and Naturalization Service (INS). The INS is requesting for 1995 an appropriation of $1.149 billion, 12,995 positions, and 12,723 workyears. This represents an increase of $98.25 million and 657 positions over the 1994 levels. In addition to this appropriation request, the Administration's budget also requests $300 million from the Crime Control Fund for critical immigration control initiatives ($264.2 million for INS, and $35.8 million for other Department of Justice components to support INS initiatives). With the resources from the Service's Salaries and Expenses account combined with the funding from the Crime Control Fund and our fee supported operations, the total resources available to the Service during 1995 would be over $2.1 billion, a twenty-two percent increase over the Service's 1994 funding level.

IMMIGRATION INITIATIVE

The Administration's 1995 Immigration Initiative has five major components: (1) Strengthen Border Control; (2) Expedite the Removal of Criminal Aliens; (3) Implement Comprehensive Asylum

Reform; (4) Reduce the Magnet of Job Opportunities; and, (5) Encourage Naturalization through Education. These initiatives will allow us to facilitate legal immigration by controlling illegal immigration. Four of these initiatives are directed toward controlling illegal immigration, which is a problem that threatens this country's immigrant traditions and burdens State and local governments. The request for the Naturalization Promotion and Education component will enable the INS to better promote the naturalization of legal immigrants. The 1995 budget request will enable the Administration to pursue solutions to the important problems related to immigration.

The INS has traditionally accomplished its mission through labor-intensive processes, adding more personnel but not providing the tools and supporting infrastructure needed to do an effective job. We will add officers because more are needed. However, we will no longer take piecemeal steps to address the problems facing the INS. This budget will provide the technology, automation, and information networking with other Federal and State agencies that will intensify the impact and effectiveness of our resources and allow the Service to work smarter.

The first three initiatives, Strengthen Border Control, Expedite the Removal of Criminal Aliens, and Implement Comprehensive Asylum Reform, are proposed to be funded by the Crime Control Fund. The last two, Reduce the Magnet of Job Opportunities and Encourage Naturalization through Education, are included in the Salaries and Expenses appropriation request.

STRENGTHEN BORDER CONTROL

Our strategy at the Southwest border is to prevent illegal immigration and facilitate legal entry. The border initiative bolsters enforcement at the border by building on the increases received with the help of this Committee in 1994. The funding requested from the Crime Control Fund for this initiative is $180.7 million. Together, these funds will be used to put 1,010 additional Border Patrol Agents on the line to provide a visible presence at high-risk border areas to strongly discourage illegal entry, similar to what we have achieved at El Paso. We will make significant equipment and technology enhancements that will enable the INS to make better use of automation in combatting alien smuggling operations, freeing up agents from doing paperwork, and allowing agents to spend more time on the line carrying out primary enforcement duties.

We intend to have 1,010 more Border Patrol agents on the line by the end of 1995. Of these, 350 are new agents who are being hired during 1994, and 150 are new agents who will be hired in 1995. In addition to the hiring, 510 agents will be reassigned to line duties from support positions, such as drivers and radio technicians, or made available because of the automation of paperwork now performed by agents. The equipment and technology enhancements include fencing, lighting, encrypted radios, infrared equipment, and development and enhancements of automated systems. These improvements will multiply the effectiveness of our human resources and add to their productivity.

EXPEDITE THE REMOVAL OF CRIMINAL ALIENS

Effectively identifying and removing criminal aliens requires close cooperation across the law enforcement community. To "Expedite the Removal of Criminal Aliens", the Administration is requesting $55.2 million, $45.2 million for INS and $10 million for the Executive Office for Immigration Review (EOIR). The Institutional Hearing Program (IHP), which allows the Service to assume custody and promptly remove deportable aliens when they complete their sentences, will be expanded in the five states which have the largest concentration of incarcerated aliens and in all Federal prison facilities. In addition to the proposed increase of 50 Immigration Judges and related support staff to conduct more deportation hearings, we will use video teleconferencing technology to enhance productivity, allowing hearings to be held using video equipment located at detention sites and at the judges' court rooms. By reducing the amount of time spent traveling to deportation hearings, judges will be able to conduct more hearings and we will make cost-effective use of judge and attorney time.

IMPLEMENT COMPREHENSIVE ASYLUM REFORM

With the $64.1 million requested, a more timely asylum decision system will be established by INS, in conjunction with the Executive Office for Immigration Review (EOIR), the U.S. Attorneys, and the Civil Division. The new procedures, which have been issued as a proposed regulation, coupled with additional resources, will enable us to stay current with incoming applications and work on

backlog cases. We will focus enforcement efforts on fraudulent applications and reduce incentives for asylum abuse, while protecting the process for those who are legitimately seeking asylum. Enactment of the reform proposal will permit deportation of those fraudulent applicants whose cases are adjudicated and denied. The INS portion of this request, $38.3 million, will provide 184 new Asylum Officers, more than doubling the officer corps, as well as the support required for the operation of the asylum offices. Included in this amount is $10 million for deportation. The needed improvements in the asylum process can only be accomplished if the additional resources are provided. Without increases in resources, the dual objectives of facilitating legitimate claims and stopping the incentives for fraudulent claims cannot be met. This budget request implements the President's pledge in July 1993 to reform the asylum system.

REDUCE THE MAGNET OF JOB OPPORTUNITIES

The INS budget includes a request for $32.7 million to "Reduce the Magnet Effect of Job Opportunities". We will make it easier for employers to determine who they may employ by expanding the Telephone Verification System and improving document security while increasing our enforcement of employer sanctions.

Our enforcement efforts will include targeting industries that have historically hired unauthorized aliens, following leads referred to INS by the Department of Labor, and reducing the marketability of fraudulent documents. We will conduct follow-up

investigations of previously sanctioned employers to identify repeat offenders, to both impose penalties and evaluate our effectiveness.

These enforcement efforts will be combined with employer education activities to improve understanding of employer sanctions requirements and how to comply with them. In addition, the Service will develop an "800" hotline to assist employers in fulfilling their responsibilities. The Department is also requesting $5.7 million for EOIR and the Office of Special Counsel for Immigration Related Unfair Employment Practices. The requested resources will be used to add additional judges, as well as increase the application of the anti-discrimination provisions of the law. This comprehensive approach involving the Service, EOIR, and the Office of Special Counsel will reduce illegal employment opportunities while, at the same time, working to ensure that those authorized to work may do so without being subject to discrimination.

ENCOURAGE NATURALIZATION THROUGH EDUCATION

Our proposal to encourage naturalization through public education and streamlined INS procedures is a response to the need to help bring newcomers into full participation in our society. The INS budget for the Salaries and Expenses appropriation includes a request for $30 million to enable the INS to accomplish this. Naturalization has been funded by the Examinations Fee account for some years. However, 1994 is the first year the Legalization population begins to become eligible for naturalization. This

population represents a large one-time increase in naturalization cases and requires special investments for INS to respond to a large anticipated jump in workload. The resources will provide sufficient personnel to adjudicate the increased number of applications for naturalization without which backlogs could grow. Information services dealing specifically with naturalization topics will be expanded by the addition of "800" phone lines and additional personnel.

This initiative contains $15 million which will be used for cooperative agreements with community-based organizations, ethnic group networks, and educational institutions to do public outreach, provide required language and civics instruction, and assist in the preparation of naturalization applications.

FEE ACCOUNTS

The Service is requesting $686.1 million and 7,480 positions in its fee accounts. These resources are essential to overall agency operations.

IMMIGRATION USER FEE

For 1995, we are requesting $321.6 million and 3,110 positions in the Immigration User Fee account. This request includes 136 additional positions in the Inspections program to keep pace with projected air traffic growth. It includes an increase in funding for detention space in the New York City area to assist with the problem of excludable aliens attempting to enter the country

through John F. Kennedy International Airport and Newark International Airport. Resources are also requested to meet support infrastructure needs.

The resources from this account have enabled the Service to make substantial progress in facilitating the inspection process for international travellers, as well as provide detention space for inadmissible aliens, information and data support for inspections operations, and support for activities funded from the account. Our international flight inspections met the 45-minute standard in over 99 percent of total inspections last fiscal year. We are striving to further improve our performance through the use of automated inspections applications to facilitate the entry of travellers while maintaining the quality to assure that only authorized persons are admitted to the country.

IMMIGRATION EXAMINATIONS FEE

For 1995, we are requesting $353.2 million and 4,295 positions in the Immigration Examinations Fee account. Increases are included to: expand the asylum officer corps; expand community outreach activities; improve services at land border ports-of-entry; and interface INS' and State Department systems to add visa information to INS' systems. We also plan to improve information services to the public and provide support infrastructure improvements. This fee account supports the main service functions of the agency including the adjudication of applications for immigration benefits and political asylum, refugee processing, and

public information services, as well as necessary support.

Due to a lower volume of incoming applications to date this fiscal year, the revenue estimate for 1994 has recently been revised downward. As a result, measures have been taken to reduce costs as much as possible. For activities funded by this account, hiring has been frozen, overtime has been curtailed, and general expenses (i.e., travel, training, supplies, equipment, contractual costs) have been frozen. Also, the Service is considering, on a test basis, the revision of its policy of routinely submitting fingerprint cards for FBI checks for all applicants for benefits. This test would apply only to persons already in the U.S. seeking adjustments in their immigration status. However, because no empirical data currently exists to support an immediate change to this policy, we are conducting an in-depth analysis to determine the effect of this potential change in policy.

LAND BORDER INSPECTION FEE

For 1995, we are requesting $1.6 million in the Land Border Inspection Fee account to continue pilot projects on the northern border. Currently, one dedicated commuter lane project is operating at the Blaine, Washington, Port-of-Entry. The Service has worked closely with the Customs Service and local authorities to lay the necessary ground work to open additional pilot projects.

BREACHED BOND/DETENTION FUND

We are requesting $6.2 million and 48 positions in the

Breached Bond/Detention Fund to continue efforts to improve the management and collection of breached bonds and to provide resources to the Detention and Deportation program for the detention of illegal aliens. Progress has been made in the collection of breached bonds, the development of bond management/debt collection procedures and support systems, and in the engagement of litigation against delinquent surety companies.

IMMIGRATION LEGALIZATION

Finally, we are requesting $3.5 million and 27 positions in the Immigration Legalization account to continue to process residual application workload and to maintain operations of the Legalization Appeals Unit.

This concludes my remarks on the Service's 1995 budget request to the Congress. I would be pleased to answer any questions that you may have regarding the budget and the Service's operations.

FINGERPRINT POLICY

Mr. MOLLOHAN. We note that you make reference to the failure to give the Committee notice on your decision to halt fingerprint checks on aliens seeking immigration to the United States. We appreciate your taking that on right up front.

There is a considerable amount of consternation, not only on this side of the Capitol but on the other side of the Capitol as well. And the decision, in and of itself, I think we would have appreciated consultation on; perhaps my biggest concern was that we had to hear about it through the newspapers.

We understand you haven't been there a long time, and somebody commented on it simply by way of emphasizing it and looking forward to the positive aspects that this might have in establishing a good relationship.

Were you aware, though—I am curious—of the impact that this decision would have on the FBI's fingerprint identification operations, namely the loss of 100-estimated jobs?

Ms. MEISSNER. We were certainly aware of the fact that this had an impact on the FBI. I think I can quite accurately say that the impact would not have had a risk or a loss-of-jobs effect on the FBI in 1994, and I have spoken with Director Freeh about that.

We, in fact, are continuing to reimburse the FBI for name checks and fingerprint services that they provide us. The amount that would have been involved in this particular action was much smaller than the amount that we give them. Although it would, of course, have had an impact on another agency, I think it is fair to say that it would not have been a dire impact.

Mr. MOLLOHAN. Are you aware of the requirement in law to notify the Committee if have you a program change of as much as $500,000, or 10 percent, I believe, whichever is lesser?

Ms. MEISSNER. We are absolutely aware of that requirement, and have been doing all of our homework where the reprogramming was concerned. In fact, a reprogramming will be coming to you very shortly that would have involved this particular issue.

We were really caught in a situation of having two very compelling requirements to meet. On the one hand, we have the reprogramming requirement, of which we are aware I give you my personal word, we will do everything that we possibly can and will do better next time to be sure that it is discharged in the proper ways.

At the same time, we were coming upon a very unexpected and large increase in a critical area of our work, and in order not to be in an anti-deficiency situation, we needed to make some decisions immediately. We needed to make them as a matter of fiscal and management prudence.

Keeping both of those objectives on track was difficult, and we clearly missed the boat on the one that had to do with the reprogramming.

We will be talking with you earlier in the process, even before the formal work is finished. I think that is probably the proper way to handle these things, at least to give you an alert when we are working on these things.

Mr. MOLLOHAN. Well, we would certainly like to be consulted.

I understood you to say a reprogramming is coming that would have involved this matter. What does that mean?

Ms. MEISSNER. Well, this matter was part of a far broader set of decisions. This was just one of many items that had to do with this shortfall in the Examination Fee Account. There are other items which are on their way to you.

Mr. MOLLOHAN. When can we expect their arrival?

Ms. MEISSNER. Well, I am not sure about that.

Susan, do you know the answer to that?

Ms. JACOBS. Working closely with the Department, I would say surely less than a month; hopefully, a shorter time frame than that.

Mr. MOLLOHAN. Are we aware of the subject matter of that?

Ms. MEISSNER. We have had discussions about that at the staff level, yes.

Could I just clarify one other thing?

Mr. MOLLOHAN. Oh, certainly. I want you to. This is your opportunity to do that.

Ms. MEISSNER. On this fingerprint issue, I am sure the committee wants to move on to other things.

Mr. MOLLOHAN. Oh, no, we want to talk about this until we exhaust it.

Ms. MEISSNER. We were not talking about immigrants first entering the country. We were talking simply about people that are already in the country and are applying to adjust their status.

Mr. MOLLOHAN. There was some testimony before the Committee that in some situations at least—and I would be curious what those situations are—that you simply hand the fingerprint card to the person and say, come back later with your fingerprints on the card?

Ms. MEISSNER. We work very closely with a whole network of community organizations that help immigrants. In turn, it is a help to us because they help immigrants prepare their applications. Those agencies do, among other things, the work on the fingerprints and provide the cards to us.

Mr. MOLLOHAN. What is an example of one of those agencies?

Ms. MEISSNER. The United States Catholic Conference.

Mr. MOLLOHAN. So they would go back to some nongovernmental facility, in a noncontrolled situation and have their fingerprints taken?

Ms. MEISSNER. That occurs regularly, yes.

Mr. MOLLOHAN. I could see where that would work with people who were perfectly honest about it and had no reason to falsify their identification, but I can see it being a wonderful opportunity for somebody who did.

Ms. MEISSNER. There is always the opportunity for misuse. By and large, the population that we are working with, who are adjusting status, are asking something from us where it is in their interest for their identity to be accurate.

Mr. MOLLOHAN. By and large. But those people who, for whatever reason—I mean, you obviously take the fingerprints to establish an identification, and it seems to me that if you are going to do that, it should be in a secure manner so that you can be confident that you have established the identification of the person who is the applicant.

Ms. MEISSNER. The agencies that we work with on these matters are really very reliable and take very seriously their responsibilities. We wouldn't work with them if they were misusing the process. But as I said, this whole matter is now in abeyance. We would like the opportunity to come back to you with a full systematic report on what we are going to be doing.

Mr. MOLLOHAN. Well, let me just add that the staff points out that the IG found that controls need to be strengthened to ensure that the fingerprints submitted by the applicants belong to the applicants. INS does not provide fingerprinting services. Most applicants complete the fingerprint cards at privately-owned photography shops.

But you are going to brief us on all of this.

Let me understand how your request breaks down—your request for appropriations is $1.149 billion, offsetting fees of $689 million, and then you are relying upon the Crime Control Fund, that does not exist as we speak, for an additional $300 million; is that correct?

Ms. MEISSNER. That is correct.

Mr. MOLLOHAN. May I sort through the part that you are relying on in the Crime Control Fund?

Ms. MEISSNER. Sure.

Mr. MOLLOHAN. Of your five initiatives, three of them rely upon the Crime Control Fund; do they not?

Ms. MEISSNER. That is right.

Mr. MOLLOHAN. The border control initiative, the expedited removal of aliens, and the comprehensive asylum as well, they rely on the Crime Control Fund completely?

Ms. MEISSNER. Completely.

Mr. MOLLOHAN. So if the Crime Control Fund does not become a reality, these enhancements do not become a reality?

Ms. MEISSNER. Well, I think it is unclear what funding mechanism there will be for the Crime Bill. I think it is fair to say that if the Crime Bill is passed, whatever the funding mechanism, these items will be among the Administration's priorities for that fund.

Mr. MOLLOHAN. Okay. You are looking to increase your agents on the border by 1,010, correct?

Ms. MEISSNER. That is right. Over a two-year period.

Mr. MOLLOHAN. In 1994, you are hiring 350?

Ms. MEISSNER. That is right.

Mr. MOLLOHAN. How far along are you in doing that?

Ms. MEISSNER. There are about 100 that have been hired and are in training at the present time. The rest are in various stages of the recruitment process and ready to be trained. They will all be trained and on the line by the end of this fiscal year, the 350.

Mr. MOLLOHAN. You will have to hurry if you are going to meet that schedule.

Ms. MEISSNER. That is right. But we had to do it in the second half of the year.

Mr. MOLLOHAN. Will you be spending all of the money which we appropriated last year for the enhancement of the Border Patrol?

Ms. MEISSNER. You mean within 1994?

Mr. MOLLOHAN. Of the 350?

Ms. MEISSNER. Absolutely.

Mr. MOLLOHAN. Although you won't bring all 350 on until the end of the fiscal year?

Ms. MEISSNER. That is right.

Mr. MOLLOHAN. So you planned it that way?

Ms. MEISSNER. Yes.

Mr. MOLLOHAN. Or your predecessor did.

And then you are also, I believe, in 1994, planning on reassigning 510 support personnel or administrative personnel to the Border Patrol function; is that correct?

Ms. MEISSNER. Yes. In 1994 we will be reassigning 270. The number you used is over a two-year period. The 270 that are being reassigned in this fiscal year in 1994 are all new hiring as well.

In other words, it is support personnel hiring, which then frees up 270 agents.

Mr. MOLLOHAN. So you are going to back out agents?

Ms. MEISSNER. We are backing out; that is exactly right.

Mr. MOLLOHAN. Are these agents now who are in administrative positions?

Ms. MEISSNER. They are not in administrative positions; they are doing administrative duties, say, two days a week, a day-and-a-half a week.

Mr. MOLLOHAN. But they are fully qualified, trained agents. So all you would have to do to bring them up is back them out by hiring——

Ms. MEISSNER. Exactly. Radio technicians, bus drivers, radio dispatchers, clerical personnel.

Mr. MOLLOHAN. That doesn't seem like a very efficient way in the past to have used those positions.

Ms. MEISSNER. That is why I made a point of saying in my opening statement that we have not in the past used carefully worked out mixes of what our technology support and agent combinations should be. This is an effort to do that.

Mr. MOLLOHAN. For the 270 that you are putting on the line in 1994, how far along are you in that process, in the reassignment process?

Ms. MEISSNER. I can't give you actual numbers right now on how far along we are. We would have to give you that. We are working sector by sector to identify who those people are and what the support positions seem to be.

Mr. MOLLOHAN. Can somebody here suggest to us how far along we are in that process?

Ms. MEISSNER. I think we would have to get that to you after this hearing, but we will do so if you are interested.

[The information follows:]

HIRING OF SUPPORT PERSONNEL AND THE REDIRECTION OF BORDER PATROL AGENTS

As of the end of the end of April 1994, five support personnel had been hired, allowing the redirection of five Border Patrol Agents. Recruitment and hiring activities are proceeding according to plan. By the end of the fiscal year, 231 support personnel will be hired as planned, allowing the redirection of the 270 Agents from support duties to enforcement duties on the line.

BORDER PATROL REASSIGNING

Mr. MOLLOHAN. Have you initiated the process of transferring—"reassigning," I guess is the word you use—these administrative personnel to Border Patrol functions?

Ms. MEISSNER. Yes, absolutely.

Mr. MOLLOHAN. You are in that process?

Ms. MEISSNER. Absolutely.

Mr. MOLLOHAN. So some folks have been reassigned?

Ms. MEISSNER. Yes.

Mr. MOLLOHAN. And are you well along in that or just starting?

Ms. MEISSNER. I would say we are at the beginning of it. I would say we are in the first third of it.

Mr. MOLLOHAN. Are you able to testify whether by the end of this fiscal year you will have the 270——

Ms. MEISSNER. Oh, absolutely by the end of the fiscal year. This will all be done by September 30th. These people will be working where they are supposed to be working.

Mr. MOLLOHAN. And you will have newly hired to back them out?

Ms. MEISSNER. Yes.

Mr. MOLLOHAN. Now, the money for these in 1994 come from the Salaries and Expenses Account from last year; isn't that correct?

Ms. MEISSNER. That is right, $45 million.

Mr. MOLLOHAN. And the people that you are going to hire to replace these reassignments come out of the Salaries and Expenses for 1994. And for 1995, again out of Salaries and Expenses, you are transferring 240 people in like manner?

Ms. MEISSNER. Yes, we are transferring 240 people in like manner, but that is part of the crime funding. In other words, in 1995, the Southwest border initiative becomes part of the Crime Control Funding mechanism.

Mr. MOLLOHAN. I am going to get to that.

As I understood your testimony, and the reason you are testifying is to clarify it, you are asking for $180.7 million out of the Crime Control Fund for 150 new 1995 agents; isn't that correct? That is out of the Crime Control Fund?

Ms. MEISSNER. I am sorry.

Mr. MOLLOHAN. I know it is tough when you are hearing from both ears.

I am just clarifying. That 240, in reading your testimony, I interpreted being reassignments, that whatever expenses are involved with transferring them or backing them out with new hires, that was going to come out of Salaries and Expenses for 1995?

Ms. MEISSNER. The 1995 concept is slightly different in that we are beginning to bring intensive technology, a system called Enforce, in at the Southwest border, and that begins to add to productivity. At the present time, our agents spend about 40 percent of their time, even when they are on the line, doing nonenforcement work.

In 1995, we are beginning to bring in some automation systems, as well as booking procedures and a variety of efficiency measures that will free up productivity from currently working agents; and that freed-up productivity is represented in the 240, along with additional positions. But it is not all 240 new people.

Mr. MOLLOHAN. All right. But whatever the expense that is associated with these 240 reassignments for 1995 comes out of Salaries and Expenses; is that correct?

Ms. JACOBS. Yes. But it is possible to accomplish that only if we have the technology resources that we are requesting from the Crime Control Fund.

Mr. MOLLOHAN. I see. So even out of that 240, you are relying upon the Crime Control Fund to the extent technology frees up any number of those people?

Ms. MEISSNER. Exactly. This is a complex package where everything depends on everything else.

Mr. MOLLOHAN. We can understand that. We just want to get through it.

And then also out of the Crime Control Fund you are asking for $180.7 million for direct hires for 150 new agents; is that correct?

Ms. MEISSNER. That is correct.

Ms. JACOBS. That includes the technology?

Mr. MOLLOHAN. So you are relying upon the Crime Control Fund more than just for 150 agents; it is for at least some number of this 240 to get your 1,010?

Ms. MEISSNER. Yes.

REMOVAL OF CRIMINAL ALIENS

Mr. MOLLOHAN. Thank you. With regard to your expedite-removal-of-criminal-aliens initiative, I understand you are looking for a total of $55.2 million out of the Crime Control Fund, so if you don't have a Crime Control Fund, you are going to have a lot of trouble doing this.

Ms. MEISSNER. That is right.

Mr. MOLLOHAN. As I understand it, $28.2 million is technology data link to the NCIC.

Ms. MEISSNER. That is right.

Mr. MOLLOHAN. And $16.9 million for lawyers?

Ms. MEISSNER. I am not sure that is exactly the right number for lawyers. There is a substantial legal proceedings element in there, yes. There is a judicial portion.

Mr. MOLLOHAN. That is $10 million or so?

Ms. MEISSNER. That is right.

Mr. MOLLOHAN. And that allows them to hire 50 immigration judges?

Ms. MEISSNER. I believe that is the number.

Mr. MOLLOHAN. And you are satisfied that that number works your backlog and keeps you current?

Ms. MEISSNER. Well, this is on criminal aliens now, and what those additional lawyers and judges do is allow for judges and lawyers to be at the prison sites on a full-time basis doing deportation hearings.

Mr. MOLLOHAN. Personally or telephonically?

Ms. MEISSNER. The video conferencing technology is in there as well. It then creates a standing capacity to do that work.

Mr. MOLLOHAN. Do you have a backlog in this area?

Ms. MEISSNER. In hearings, yes.

Mr. MOLLOHAN. So that allows you to work your backlog, get it current, in what time frame?

Ms. MEISSNER. Actually, detained people are our first priority on hearings. We are not so behind on doing hearings for detained people. They are detained and they are our priority. We don't have a good system for holding hearings in the State prisons. We are not efficient, because we are travelling all over the place.

With this effort, the States are localizing their criminal aliens in one or two or three places that justifies our having people permanently in those locations there. By being able to spend less time on these hearings, still keeping detained aliens a priority, allows us to be much more effective with backlogs in other hearings cases which we have not been able get to and which are part of backlogs.

Mr. MOLLOHAN. I guess what I was getting at, that seems like quite a large increase in judges, and once you get them in place, they are awfully hard to do anything with, it has been my experience.

Does this represent a bubble going through? I mean, you are hiring 50 judges; and do they clean up a backlog and get you current, and then do we have 35 extra judges sitting around? Would it be possible to satisfy this by borrowing them from some agency?

Ms. MEISSNER. Well, I think it is very unclear whether this is a bubble or not. I don't think we know. This issue of criminal aliens is a somewhat recent phenomenon. In the last five, seven, eight years it has become a serious issue. I don't know that we have any indicators that it will diminish.

Mr. MOLLOHAN. You might want to look at that. I certainly would be interested in your assessment of that.

Ms. MEISSNER. I would say if it does diminish, which certainly would be all to the good, I don't think there is any dearth of work for immigration judges. Immigration judges have been able to move and to circuit-ride and sit in different places. They sit in detention sites now, and then work in city courtrooms.

I think that would be a flexible work force.

COMPREHENSIVE ASYLUM REFORM

Mr. MOLLOHAN. Just one last question.

With regard to your comprehensive asylum reform, is all of the $64.1 million, is that all you are asking for for that and do you rely on the Crime Control Fund for that?

Ms. MEISSNER. It all comes out of the Crime Control Fund, and it is all that we are asking for next year.

Mr. MOLLOHAN. Mr. Rogers?

Mr. ROGERS. Commissioner, good to see you.

Ms. MEISSNER. Thank you.

Mr. ROGERS. You have the responsibility of deciding what America looks like.

Ms. MEISSNER. Well, no, actually the Congress has that responsibility.

FINGERPRINT POLICY

Mr. ROGERS. Well, we delegate it to you, though, the responsibility to decide what is the makeup of our people. So you hold a very, very important post, and you are being besieged at the moment, both from budgeteers and from people wanting to stream into the

country. And we sympathize with you, with the kind of strain you have to be under, carrying the load that you are.

But we were shocked, as the Chairman has indicated, to read in the newspaper about your arbitrarily ceasing the fingerprint project that this Committee has dealt with ever since I have been on it for 12 years, without any notification to the subcommittee. You have talked about that some, but I have yet to hear why you chose to stop that project. Why you didn't feel it necessary to notify the Committee about that.

Ms. MEISSNER. Well, let me reiterate that I very much regret that it created the conflict and the tension that it did. I hope that it will not characterize the relationship that I have with the Committee or that the Agency has with the Committee. I think it was an atypical situation.

It is our commitment to work openly with the committee and with as much information exchange as possible.

In this particular instance, as I said earlier, I would like an opportunity to come back to the Committee when we have reviewed this entire issue more fully, which we are presently doing. I will tell you that this is an issue that has been under study in the Immigration Service for quite some time.

We have a very, very low number and percentage of what is called "hits" when we submit fingerprints. We had a budgetary situation in our Examination Fee Account that was quite unexpected. We are uncertain why we have had such a dropoff in the numbers of applications that have been filed, and we had a whole series of immediate actions that needed to be taken in order for us to manage our money in a fiscally responsible fashion.

We would have been doing something about our fingerprint policy by the beginning of the next fiscal year in any event. We would have had more time to do the analysis as fully as we would have liked. We felt ourselves in dire straits as far as our Examination Fee Account was concerned. We made a decision which we felt was in the best management interests of the agency. On reflection, it was precipitous. We are reviewing it, and we will come back to you, as I said, when we have looked at it more carefully.

Mr. ROGERS. Well, of course, executive branch, has certain prerogatives which are perfectly within your discretion. There are other things that are not within your sole discretion, and this is one of those. And I am very disappointed that you didn't feel it necessary to confer with the Subcommittee on something this important and with this much money involved.

The law clearly states that this is something you must get reprogramming approval for from the Subcommittee. It is egg on our faces when our constituents say, why are you doing that? And we say, doing what?

They say, we read in the newspaper this morning that our government, you are the people in charge of funding that agency. What are we to say to those folks?

Ms. MEISSNER. Well, I can only reiterate my regret about the matter, but I do think it is important that we are clear on what we actually were proposing. We were not in any way proposing to forgo our law enforcement responsibilities to check whether or not people had criminal records.

This was a proposal to do one sort of check as compared with another sort of check. In other words, it was a proposal to do a name check as a preliminary check, and if it did not indicate anything further in the FBI files, not to submit fingerprints.

However, we fully intended continuing to submit fingerprints on people who had any kind of immigration violation, any kind of criminal record. This was purely people who were trying to adjust their status for whom we would have been doing a different sort of FBI name check.

So I do want to be understood that this was not in any way an effort to forgo the responsibilities, that we take very seriously, to be certain of who it is to whom we are giving benefits.

Mr. ROGERS. Okay. We will talk about the next subject.

Ms. MEISSNER. Okay.

BUDGET REQUEST TO OMB

Mr. ROGERS. What was your original request to the OMB?

Ms. MEISSNER. Our original request to the OMB for fiscal year 1995?

Mr. ROGERS. Yes.

Ms. MEISSNER. Well, I would have to get that number for you. As a matter of fact, it is lower than is presently being proposed. The budget that the President sent forth in February is one that we worked out in the fall after the INS had submitted its original numbers to OMB. It was one that was an attempt on the part of the new administration to move very quickly to strengthen the immigration system.

Mr. ROGERS. Yes, but your staff has your request. I just want the number.

Ms. MEISSNER. Well, I can give you the number. It is $1.134 million.

Ms. JACOBS. Of the appropriated accounts.

Mr. ROGERS. One billion what?

Ms. MEISSNER. One hundred and thirty-four million.

Mr. ROGERS. What was the offsetting fee request?

Ms. JACOBS. They were the same; they were virtually the same as what were submitted.

Mr. ROGERS. The 689?

CRIME CONTROL FUND

Ms. JACOBS. Yes.

Mr. ROGERS. Now, the Crime Control Fund figure, whose idea was that? Was that the OMB's idea? When you made your original request for funds, did you in your request say, we are going to take so much of the Crime Control Fund; or was that OMB's suggestion?

Ms. MEISSNER. No. This was part of the administration's overall discussions on the crime bill and on what the administration's priority for crime bill funding would be.

Mr. ROGERS. So that came to you from OMB?

Ms. MEISSNER. Yes. It is not something we initiated; that is true.

This was a very iterative process. It was a Justice Department, INS, OMB process. It was collaborative.

Mr. ROGERS. I am going to leave the Border Patrol questions to our colleague, Mr. Kolbe, given his expertise and interest in that subject.

But let me quickly go over a little bit, some of the ground that you have covered. The only program increases that you are requesting in direct appropriations are for employer sanctions and for a naturalization public awareness campaign?

Ms. MEISSNER. That is right.

Mr. ROGERS. All of the rest are to be funded, if at all, out of the Crime Control Trust Fund.

Ms. MEISSNER. That is right.

1995 BUDGET PRIORITIES

Mr. ROGERS. Which at the moment is a cloud of ether floating across the variant sky. It may never touch ground, it may never come into being. It seems to me that we are putting an awful lot of our Nation's future on the hope that there will be such a fund.

Now, just in case that fund never comes into being and the House decides to allocate that money to the deficit or some other purpose, and does not create such a fund, how will you deal with these terribly important initiatives that you have proposed?

Ms. MEISSNER. I can answer that question right now, because that would take some careful consultation within the executive branch.

Mr. ROGERS. You must have thought about this.

Ms. MEISSNER. I can't tell you what the source of the funding would be, but it is clear that this program that we are presenting is an administration priority program. The administration felt that it was a reasonable and legitimate part of the crime initiative, which is an important initiative for the administration.

If, for some reason, as you say, that does not come to pass, then we would have to regroup and decide how we would go forward with this proposal. But this proposal is an administration priority.

Mr. ROGERS. But we are trying to draw up an appropriations bill right now. We can't wait. We have to proceed, the Committee, the Subcommittee and the full Committee, and the Congress. We have to pass appropriations bills.

What we do with you has an impact on what we do with the State Department, what we do with the Commerce Department and what we do with FBI, DEA or United Nations peacekeeping operations, and so forth. All of those things are integrated here within the Subcommittee.

This is quite a lack of money we are talking about. So it leaves us in a real tough situation. We are being asked to appropriate something in the hope that we are going to get the money sometime later on. We don't do business that way.

We are allocated a sum of money by the Budget Committee for all of our agencies, and then we have to figure out who gets priority. And we want these things done just as you do, and it really puts us in a bind.

Can you help us out?

Ms. MEISSNER. Well, I wish I could help you out. Our working assumption has been that the crime bill will pass in the next week

or two, and it will then become clear what happens in that arena. I think that is as far as I can go.

It is our assumption that the Congress wants to pass a bill—it is certainly an Administration priority—and this is part of it.

Mr. ROGERS. Well, I will tell you what. I am going to ask that you prioritize for us—given the exigencies that were underlined, I want you to prioritize for us which are the most important programs and which are the least important, so if worst comes to worst, we know what your priorities are. Can you do that for me?

Ms. MEISSNER. I would rather not do it for you on the spot, because as was clear in the conversation that the Chairman and I just had, this is a very carefully integrated package.

This is a package that is attempting to strengthen critical elements of the immigration system, and it is one that is based on a major modernization and infrastructure upgrading of the Immigration Service. If we start to unlink pieces of it, the whole rationale and effectiveness of it begins to crumble.

So I would need more than to be able to just sit here and do a one, two, three, four, five.

Mr. ROGERS. I have no problem with your taking some time to reflect upon it, but I do want you to reflect upon it and do it, because in the event we fall short of monies, I think we would like to fund the things that are your higher priorities.

Not to suggest that any of them are unimportant, but—and I understand your reluctance to judge one not as important as the other. But we need to know that, because the chances are we will not have every penny that you would like to have, or we would like to give you. But it gives us a chance to try to do the best we can with what we have.

Ms. MEISSNER. Okay. We will turn our attention to that after this hearing.

[The information follows:]

PRIORITY RANKING OF FY 1995 INCREASES

The five components of the total immigration reform initiative for FY 1995 cannot be separated and ranked. They have been developed as an integrated approach in response to a complex national policy issue which has been given a high priority by the Administration.

Illegal immigration is a continuing problem which threatens this country's immigrant traditions and reduces the ability of State and local governments to provide quality human services. The public has lost confidence in the Federal Government's ability to handle this problem. The Federal role for controlling the borders is clear and it is imperative that the Federal Government take this responsibility seriously. In order to maintain fiscal and economic security, and turn the rising tide of negative sentiment against all immigrants, the Federal Government must take aggressive measures to secure the border and curb illegal immigration and encourage those who qualify to become full participants in our society through naturalization.

This Administration is committed to continue its leadership in finding solutions to this important and controversial problem. The President's goal for reforming the immigration system is straightforward. It includes rebuilding and revitalizing the INS and acquiring the resources to undertake major initiatives to address the immigration problem. The multi-faceted approach presented to the Congress has the potential to bring about changes by: controlling the border; dealing effectively with criminal aliens; reducing the "magnet" of job opportunities; bringing about meaningful reform in the asylum program; and, enhancing efforts to naturalize qualified aliens.

A piecemeal approach to this major problem will not be sufficient. It requires a significant infusion of resources now and a long-term future commitment in order to succeed.

COMPREHENSIVE ASYLUM REFORM

Mr. ROGERS. On the asylum reform question, and last year we rode you pretty hard about this tremendous backlog of cases that has been allowed—that has happened. One hundred fifty thousand new arrivals last year, a tremendous backlog. And when you release them, subject to a hearing, I am told that less than 5 percent ever show up for their hearing.

And so it is a tremendous problem, and we rode you hard last year. And we have been riding INS for some time on the problem, and I am glad to see that you are proposing these new judges. I don't have any problem, and I am supposedly the conservative here.

I have no problem with spending monies for this, because it is absolutely necessary, because if INS does not process that person's applications within six months, he or she goes in and gets the work authorization automatically, and they are lost to our review.

You have requested $38.2 million for the staff and resources to implement your initiative, all of that, of course, to come from the Crime Control Trust Fund, hopefully. But can you characterize this problem that you have, the backlog of cases, the inability to process them, and what that means in practical terms to those asylum seekers?

Can you characterize the magnitude of that problem for us?

Ms. MEISSNER. This is, as you say, not only judges, but a doubling of the assignment of the interview officers. So it is a doubling of the capacity at the front end of the system to interview those applicants that are filing, as well as the judges to make the final decision, where needed, regarding those who are not found eligible on the first round.

The effort here is, first and foremost, to become current with incoming receipts. We believe that we will be current with incoming receipts by the end this calendar year; in other words, this funding that we are asking for begins October 1. We have everything in readiness. We have the people recruited. We have the people's security clearances complete. We have everything ready but their hiring letters to send them. They will be ready to work on October 1, beginning to interview applicants. That allows us to become current at the end of this calendar year with incoming receipts.

If we can be current with incoming receipts, we believe we will stabilize the system and begin to put some discipline into the entire picture. That currency then lets us turn to the backlog so that next year, calendar year 1995, we would begin working off the backlog.

A lot of that backlog will fall away as we begin to interview, because some of those people have already changed their status one way or another. Some of them have gone home. Many of them, we believe, will withdraw their applications when it becomes clear that the system has certainty.

I can't give you an estimate now how long it will take. The backlog will be a major preoccupation for us in the next year.

Mr. ROGERS. How many backlog cases do you have, do you know?

Ms. MEISSNER. About 370,000.

Mr. ROGERS. Three hundred seventy thousand?

Ms. MEISSNER. That is right.

Mr. ROGERS. And all of those have been released, pending a hearing?

Ms. MEISSNER. Most. Not across the board, but most have been released.

Mr. ROGERS. Ninety percent?

Ms. MEISSNER. Probably. Pending an interview. Many of these people have not been interviewed, and that is why it is so critical that we start interviewing them and weeding out from within that backlog.

Mr. ROGERS. Is it true that only 5 percent of them will show up for the interview?

Ms. MEISSNER. No. The number that you have is for the judge's hearing, and I am not sure that that is even an accurate number. I would want to check that.

[The information follows:]

APPLICANTS FOR POLITICAL ASYLUM NOT APPEARING FOR INTERVIEWS

For the period from October 1, 1993, through March 31, 1994, 14,789 interviews were scheduled for persons who had applied for political asylum through the affirmative asylum process. Of this number, 3,911 (26 percent) did not appear for their interviews at the INS Asylum Offices. This number does not include persons who did not appear but contacted INS to reschedule their appointments. The "no show" rate for individual offices varied among the offices from eight percent for Houston, Texas, to fifty-five percent for Newark, New Jersey. This data does not include information on defensive asylum claims which are filed directly with the Executive Office for Immigration Review.

INTERVIEW FEES

Mr. ROGERS. What is the percent of the people who will not show up for the interview?

Ms. MEISSNER. Most people show up for their interview, because they want asylum.

Mr. ROGERS. Now, you are planning to charge fees to those applicants?

Ms. MEISSNER. That is right.

Mr. ROGERS. How much?

Ms. MEISSNER. $130.

Mr. ROGERS. And will that pay for the process?

Ms. MEISSNER. It does not pay for the entire process, no.

Mr. ROGERS. It is my understanding your initiative will address all new asylum applicants. But do you intend to address the current backlog?

Ms. MEISSNER. Yes. We will begin the backlog in 1995.

Mr. ROGERS. You are not thinking about the amnesty program, are you?

Ms. MEISSNER. It has not been contemplated.

Mr. ROGERS. Okay. Well, Mr. Chairman, I have other questions. I will wait for the second round.

Mr. MOLLOHAN. Thank you.

Mr. Moran?

CRIME CONTROL FUND

Mr. MORAN. Well, thank you, Mr. Chairman. And on this program, as well, I will see you and raise you, Mr. Rogers.

I think we need more resources in this area, too. And I like that term, "a cloud of ether"; is that what it was? Is that what you were calling the Crime Trust Fund?

Mr. ROGERS. An ethereal cloud.

Mr. MORAN. Either way, I want to use that in the debate, too, because I think that the crime—I agree, the Crime Trust Fund is an ethereal cloud, and it is not one that could hold up any funding; and if you have programs that you think are important, you ought not hitch that wagon to the Crime Trust Fund. We have defeated it consistently on the House Floor.

But be that as it may, it would be a shame to have needed priorities fail just because they were attached to an unrealistic funding source.

Now, I want to tell you a little story about—just a little while ago some very fine people put together a major subsidized housing project in Arlington, Virginia, right across the river; and they announced that they had, you know, subsidized housing and a great opportunity, and sent out flyers to the Hispanic population. The auditorium was crowded; you couldn't move, kids running underfoot and you couldn't hear yourself think. The back stairways were all backed up; people were lined up outside the building.

But when they started, they introduced a woman who was to be the translator; and what they said was that this woman can be helpful to you, she will answer your questions and she will interpret what we have to say, she used to represent clients before the Immigration and Naturalization Service.

Well, as soon as the person introducing her said Immigration and Naturalization Service, everyone in the room stampeded out. It was like she had said, "Fire." And do you know there was not one person left? We had hundreds of people, and everyone left having heard the term "immigration." And actually, as it turns out, it was explained, that is the only word that they understood. So not a lot was accomplished from the meeting.

But it indicated to us that there may be a fairly significant problem of illegal immigration. And there is.

I walk down my street to the 24-hour express—and you or any of your aides could join me some night—and just out in the parking lot of, it is like a 7-Eleven on Mount Vernon Avenue, and about eight out of ten people are not legal immigrants. Most of them have, surprisingly enough, come from Central and South America through Mexico, and all the way across country. I mean, it is unbelievable that they have made it here; and why they would want to travel all the way over to the East Coast when they have beautiful Arizona to stay in, not to mention California. But they do.

Mr. TAYLOR. And we are encouraging that.

Mr. MORAN. Somebody is encouraging that.

Mr. KOLBE. We certainly want to share this problem with you.

TEMPORARY PROTECTED STATUS

Mr. MORAN. Well, several—this situation brings to mind several things. The majority of illegal immigrants are from El Salvador. In fact, we named the community—it is called Chirilagua; it is the town from which most of them come. I am not sure of the actual

pronunciation. The latest subsidized housing we named, we gave that name to because they could identify with it.

A lot of them, the point I want to make is that a lot of them intend to return. They consider themselves temporarily here. They don't intend to register to vote or even to become naturalized citizens because their intent is to eventually return. They are making pretty good money. They are sending the money back, and of course, El Salvador feels that this is a significant boost to their economy, the money that is coming in. But we have a much more stable situation in El Salvador.

If these people—their situation has been deferred because of what used to be an unstable situation in El Salvador. They had temporary protected status. Last June it was extended, I think because of the pending election. An election was held, we had a lot of monitors; regardless of whether we wanted the right or the left wing factions to win, it appears to have been a fair election. But the President again deferred the deportation of the refugees.

I think it is time that we knew what was going to happen and that these people knew what to expect. We are talking about several thousands of people just in a relatively small community. What is the status of the temporary defector status for El Salvadoran refugees?

Ms. MEISSNER. The status is that TPS remains intact until next fall. I believe that it expires at the end of the calendar year. I believe that it expires on the 31st of December.

Generally, in these situations where there is a temporary status that is expiring, we try to make a clear decision on what will happen several months in advance so that, as you say, people can make their plans. I would anticipate that in the fall we would be addressing that issue.

Mr. MORAN. You will be addressing it in the fall, this fall?

Ms. MEISSNER. That is right.

Mr. MORAN. Okay. But you are saying that—saying, we will address it. We all tell our constituents, we will address this issue.

Ms. MEISSNER. I can honestly say to you we will address it.

Mr. MORAN. We will give your thoughts very serious consideration, blah, blah, blah; and it doesn't really mean anything, as you know.

Ms. MEISSNER. No. A decision has to be made. That status either expires, or there is an attempt to renew it. I can honestly say there has been no discussion within the executive branch that I am aware of yet. It will be slightly early.

Mr. MORAN. Why couldn't you just say, well——

Ms. MEISSNER. I am not saying it would be. I am just saying that there is a clear constituency here. There will be conflicts surrounding this issue, it seems to me. There will be a political discussion surrounding the issue of the expiration of TPS for Salvadorans, but since it doesn't happen until the end of the year, that discussion has not really begun. I am aware of that.

Mr. MORAN. So we are just going to defer and then decide how we are going to deal with the political ramifications?

Ms. MEISSNER. I suspect that that discussion will begin to evolve this summer and into the fall, yes. Nobody has put anything on the table that I am aware of; and I am not sure that it is under discus-

sion yet in the Congress. You are the first person that has raised it with me, and I am taking your point.

ANTI-DISCRIMINATION PUBLIC SERVICE ANNOUNCEMENT

Mr. MORAN. I want to ask you about an ad that we hear probably more frequently than any other ad, that I have heard on WTOP. I guess it must be on TOP and MAL and all of the radio stations. A number of employees in my area have asked, why is the INS cracking down because we haven't been violating any rules. But it is designed to intimidate employers from—well, obviously discriminating against people who might be illegal aliens. But it makes the clear point that you should give them the benefit of the doubt that they are not.

The problem is that if somebody applies for employment, in our region at least, and they are Hispanic and they can't speak English and they have no work background, there is a disproportionately high likelihood that they are not legal; and we have had a lot of problems, particularly the restaurants hiring people, because the employers accepted phoney identification.

Now, they are being told from their perception that the INS is clearly telling them that they need to give these employees the benefit of the doubt, that there is—that the Federal Government cares more about them violating the law and discriminating against illegal aliens than it cares about the illegal—people being illegally employed. And that—and I have to agree that that is the implication of the Act.

How much are you spending on the Act; do you know?

Ms. MEISSNER. Well, I believe that what you are referring to is the responsibility of another part of the Justice Department, which is the Office of Special Counsel for Immigration Related Unfair Employment Practices. It is part of the employer sanctions machinery. It is the part of the employer sanctions machinery where people, American citizens or legal permanent residents who are authorized to work, where they can bring complaints if they believe they have been discriminated against. That office also carries out affirmative activities to educate employers about their responsibilities.

I would be very surprised if this is an INS advertisement.

Mr. MORAN. I think the ad is designed to generate those kinds of complaints on the part of employees who might think that they were discriminated against.

Ms. MEISSNER. It is to inform American citizens and people lawfully eligible to work about their antidiscrimination rights. I have not heard the ad. I am somewhat familiar with what the office does. There is in the employer sanctions legislation a clear balance between, on the one hand, hiring people who are legally here and not discriminating just on the basis of looks, as to who is legal and who is illegal.

I am quite sure that this is not an attempt to protect the rights of illegal aliens. I think it is an attempt to protect the rights of citizens and aliens authorized to work.

Mr. MORAN. I don't get the chance to hear the radio all that often, and I have heard this ad, oh, maybe 50 times. I mean, it is on constantly. It seems like a curious use of money.

I am, for whatever it is worth, adamantly against discrimination on the basis of race or color or creed or culture or whatever. But, lawfully, we are supposed to discriminate against illegal aliens. And this ad is designed to encourage people who think they were discriminated against to go to the Federal Government.

Now, this is an unusual form of discrimination we are warning employers against, because up until now, up until this last few months, they were supposed to take every precaution possible to make sure they are not hiring illegal aliens. This is saying just the opposite. And it is not really appropriate for you to, you know, defer responsibility because it is part of—another part of the Justice Department, because there is no other witness who would be more appropriate to respond to this.

You transferred money to pay for it; in fact, it is the big issue there, that it is $3 million of transfer that was instructed by the Appropriations Committee. And this budget, it says you are only transferring $900,000 when the Appropriations Committee said to transfer $3 million.

But if we are going to spend it in what appears to be the way it is being spent, I don't want you transferring any of it, because it gives such a conflicting signal to the employers; and somebody has got to explain where we are coming from.

Ms. MEISSNER. I was not trying to defer. I was just trying to clarify in my mind what this might be, because it is not an order I am familiar with or an activity that I am familiar with from within the Immigration Service.

I will be happy to check on it. I would be surprised if there was an ad campaign that was trying to protect illegal aliens from discrimination.

My sense is that the responsibility and effort here has been to advise American citizens and those eligible to work of their rights. But I will pursue it and get back to you on it.

[The information follows:]

ANTI-DISCRIMINATION PUBLIC SERVICE ANNOUNCEMENTS

The Department of Justice, Office of Special Counsel for Immigration Related Employment Discrimination (OSC) has developed and is using radio announcements which address several issues related to immigration-related discrimination in hiring. This effort is part of the OSC's mission in the area of public education.

The advertisements are designed to educate employers on their responsibilities under the anti-discrimination provisions of the Immigration Reform and Control Act of 1986 (IRCA) and to protect authorized workers (U.S. citizens and work-authorized aliens) from discrimination by telling them what the law allows. The advertisements are not designed to protect undocumented workers. The law grants no protection to these workers.

During March 1994, the OSC conducted a media campaign in which paid announcements were broadcast. In addition, stations were encouraged to run the advertisements as unpaid public service announcements which are normally not run during peak listening hours.

Funding for the advertisements came from the OCS's appropriation. Funds transferred to the OSC from INS's Immigration Legalization Account were not used. Those funds are used for public education grants to non-profit organizations.

ILLEGAL ALIENS

Mr. MORAN. Of all of the injustices there are in our society, spending what has to be millions of dollars to make sure that we don't discriminate against illegal aliens, what is the result—be-

cause if you have legal papers, you produce them, and then the issue is over with; and we are trying to get our employers to ask for those legal papers. And this asked really—I think it says quite clearly, you are not supposed to ask; you are supposed to give the person the benefit of the doubt.

I will play it for you, if necessary.

Ms. MEISSNER. I will be happy to follow up on it.

Mr. MORAN. I hear it more than I do that silly ad for the mortgage, I guess I don't hear that as much, because interest rates went up. But it is one of those things that you can't get rid of no matter what station you turn to. It is more ubiquitous than Russia these days.

But why we are spending it, I don't understand, and it seems that it is a reflection of the fact that this Office of Special Counsel—money that has been specifically funded by the Appropriations Committee—has now chosen to spend all of their money on representing employee rights instead of employer. The money is being used to educate employees, to, I guess, provide education. Well, that is what it says, it is their rights under the immigration law, the employees' rights; and we are not spending any on the employers' responsibilities.

That is a turnaround from what they have been told before, and I don't understand why the policy change. If it is not your policy change, whose policy is it?

Ms. MEISSNER. I will try to find out and we will certainly follow up on it. I am sorry that I am not familiar with it.

APPLICATION FEES

Mr. MORAN. I guess I have made my point on that. We have to go vote.

I have one other point, though, that I want to raise; and that is, the Inspector General said that there are a lot of areas in which you could be charging fees. They could be self-supporting fees. I don't think you should be asking for new appropriation money if you can get the fees to pay for those activities.

As Mr. Rogers said, asked, your people who have these, what—the adjudication things on the asylum issue, if you are charging $130. It costs like $615; why not just charge the full cost to the taxpayer? Why wouldn't we charge the $615 for it to be fully self-supporting? We are doing that in other areas. I don't know why we need to subsidize that process.

Ms. MEISSNER. There has been a lot of controversy surrounding the asylum fees. As to the whole area of fees and where we charge fees, we do have some disagreement with the Inspector General on that point.

We are charging fees, and have proposed new fees, for virtually everything for which we can charge fees.

Mr. MORAN. You said 170 fees——

Ms. MEISSNER. That is right. A number of the things that he cites are areas where we would like to charge fees, but where we are prohibited by treaty or statute. He is talking particularly about Mexican border groups that are crossing the border. The treaty prohibits charging fees for the initial border crossing card application processing. We, in fact, are in discussions with the Mexican

Government about changing those treaties so that we could begin to charge fees in some of those applications.

So before that testimony becomes set in your minds, I would like to give you a delineation, fee group by fee group, of where we can and cannot charge a fee, because, in fact, we have been quite thoroughgoing in that regard.

[The information follows:]

INS'S POSITION ON THE INSPECTOR GENERAL'S RECOMMENDATIONS REGARDING POTENTIAL NEW FEES

Land Border Port of Entry Inspections

The Service generally agrees with the Inspector General's recommendation to charge fees for services provided at land border ports-of-entry, but some aspects require more detailed review before a determination is made.

Fees for Services at Land Border Ports-of-Entry

A regulation has been proposed to allow implementation of fees for the issuance of specific alien control documents at land border ports-of-entry. The six proposed fees are for the processing of applications and issuance of documents which are currently issued at no charge at land border ports-of-entry. The proposed rule was published on April 12, 1994 and is in the 60-day comment period. The fees will become effective 30 days after the final rule is published.

Dedicated Commuter Lanes

Public Law 101-515 authorized the establishment of pilot projects whereby a fee could be charged for improved land border inspection services. Currently, one project featuring a Dedicated Commuter Lane (DCL) is in operation at Blaine, Washington. Under the DCL project, low-risk frequent border crossers are permitted to use a special expedited inspection lane. DCL users pay an annual fee of $25 in exchange for a permit. The project is targeted for expansion to three additional ports-of-entry -- Detroit Tunnel, Ambassador Bridge in Detroit, and Point Roberts, Washington. Buffalo, New York is also under consideration. Public Law 103-121 extended the pilot program from September 30, 1993 to September 30, 1996; however, the legislation also limited projects to the northern border only.

Automated Permit Ports

Automated Permit Ports (APP) are being proposed to facilitate entry to the U.S. for frequent low-risk border crossers in remote northern border areas. Frequent border crossers from the local area, who have applied and been granted a special entry permit, will be able to enter the U.S. through the port at times when officer staffing is not available and the port is normally closed. The system will use biometric data (i.e. hand print characteristics) to compare with locally-stored data on the entrant's physical characteris-

tics. The use of APP's would be voluntary and a fee will be proposed.

Per Vehicle User Fee

Legislation has been proposed to collect a fee from all persons entering at U.S. land border ports. Relevant issues to be addressed before implementation of such a fee could occur include legal, diplomatic and economic concerns, currency and collection considerations, officer safety, the varied and numerous port configurations, and traffic facilitation. These specific issues must be reviewed carefully before such a fee can be implemented.

Sea Port Inspections

The Service agrees with the Inspector General's recommendation for fees for sea port inspections.

Charging a fee for passengers arriving in the United States by commercial vessel from Canada, Mexico, territories of the United States, and adjacent islands has been supported by the INS but is prohibited under current law. When Public Law 101-515 lifted air exemptions for these passengers, INS attempted to lift sea exemptions as well. The Administration's proposed Expedited Exclusion legislation includes a provision to eliminate the inspection fee exemption for cruise ships arriving from Canada, Mexico, territories of the United States, or adjacent islands.

Crewmen Inspections/Crewman Landing Permits

The Service's view on this issue differs from the Inspector General's recommendation for a fee for crewman inspections.

When the Immigration User Fee was established in statute, it was set up to charge a fee to passengers on commercial vessels/carriers. At the same time, INS assumed passenger-related detention costs that previously were borne by the commercial vessels/carriers. Currently, a fee is not charged for crewman inspection. However, carriers remain primarily responsible for non-passenger related detention costs. By regulation, crewman landing permits (Form I-95) are already prepared by the carrier when presented to the Inspector at the time of inspection. The nature of the permit is such that it is indistinguishable from the crewman inspection process and does not add measurable value or cost to the overall crewman inspection procedure.

Canadian Boat Landing Permits

The Service agrees with the Inspector General's recommendation for a fee for Canadian Boat Landing Permits.

The fee is part of a proposed regulation, Fees For Services at Land Border Ports-of-Entry, to establish fees for six alien control documents previously issued at no charge.

Employment Authorization Documents

The Service is not in complete agreement with the Inspector General's statement that a large percentage of Employment Authorization Documents (EAD) applicants are fee-exempt because of reciprocal agreements with other countries.

The basis for exemption from a filing fee entails many circumstances, including both policy and political considerations. Reciprocity with other countries is one reason but the ability to pay is another significant determining factor. For example, persons being admitted as refugees are provided an EAD without charge.

Border Crossing Cards

The Service agrees with the Inspector General that a charge, in some cases, should be instituted for Border Crossing Cards.

Mexican Border Crossing Cards

INS has proposed a regulation, Fees for Services at Land Border Ports-of-Entry, to establish fees for specific alien control documents, which includes a fee for replacement of a lost, stolen, or mutilated Mexican Border Crossing Card. Based upon the provisions of an existing treaty between the United States and Mexico, fees cannot be charged for the issuance or renewal of border crossing cards. Renegotiation of the treaty would be necessary to establish a fee for the issuance or renewal of a border crossing card.

Canadian Border Crossing Cards

Passport and nonimmigrant visa requirements for entering the United States from within the Western Hemisphere are waived for Canadian citizens and British subjects residing in Canada. A Canadian Border Crossing Card may be issued to aliens who are otherwise inadmissible to the United States, but have been granted a waiver, facilitating their entry into the United States. In the proposed regulation, Fees for Services at Land Border Ports-of-Entry, INS has proposed establishment of a fee for this document.

Ms. MEISSNER. Now, we may not have the exact amounts calculated the way we should for each fee and for each application. That is an area where we have had a great deal of work under way, and we still have some work to do. We are seeking a special contract this year to help us with the proper analysis for setting fees. It is something we take very seriously.

We are committed to fees, and we are committed to improving our fee structure so that it is accurate.

Mr. MORAN. Okay. Thank you.

In consideration of the other Members, I will wait for a second round.

Mr. MOLLOHAN. Thank you, Mr. Moran.

Mr. Kolbe?

Mr. KOLBE. Thank you, Mr. Chairman.

There is intense interest in your appearance here this morning. There has to be a bright side to that, and that is that you could have an agency which nobody had any interest in. So there might be some moments when you might wish that there would be a little less interest in that this morning.

Guess what? I am not going to ask any questions about fingerprinting.

BORDER PATROL RESOURCES IN ARIZONA

Ms. MEISSNER. I appreciate that.

Mr. KOLBE. I would just reiterate what several of the other Members have said about the issue of the funding for the initiatives that you have suggested here.

We are living in a world of surrealism if we think that this money is going to appear out of the sky someplace. There is no plan to fund that in the crime bill. There is nothing in the President's budget to fund any of those issues. So if these are really and truly priorities of yours, you had better tell us where we are going to find the funds or in what other areas you want to make reductions; or Attorney General Reno had better tell us in the whole justice budget where she expects us to find the funding for that, because there is nothing, and no plans in Congress, I think, to fund that.

That is why this whole debate on the crime bill has been something of a surreal argument.

I would just make that point to you that others, I think, have made fairly clearly. But the likelihood of Congress doing anything to fund that is next to zero.

I would like to talk to you a little bit about the Border Patrol and border issues that my colleague, Mr. Rogers, suggested that I was going to talk to you about. These are large issues. The first has to do with the issue of reprogramming.

As a result of some of the initiatives that the Border Patrol has taken along the border, there has been some very good success; obviously, what you have had in El Paso there, with the stationing of all of the agents, has led to tremendous results.

The reduction there in the first two months for 1994 of sector arrests at 27,000, is down from the first two months the previous year of 101,000, a 71 percent decrease. This suggests that that kind of very intensive interdiction really does work. In San Diego where

you have the fence up, the new fence, you have a 10 percent reduction from 195,000 to 177,000.

Guess what? In Arizona, in the Tucson sector, you have had a 37 percent increase from 29,000 to 40,000; and in one month, the month after that, in March, the increase was 77 percent over March of the previous year.

Now, we have been talking about a reprogramming for 300 new Border Patrol agents to San Diego and 50 to El Paso. As a result of some concerns of Members of the congressional delegation from Arizona, and we did see some very minor changes in the numbers in Arizona. You had a reprogramming increase of 28 new support agents and 38 redirected agents.

My first question would be, are these redirected Border Patrol agents in their positions in the Arizona sector? And if not, when are they likely to be?

And I realize that you may need to supply these answers for the record.

Ms. MEISSNER. I would like to follow up with confirmed information.

But where Arizona is concerned, the new agents that are coming into Arizona will be coming in as part of what we were talking about earlier in the second half of this year, the hiring that is going on to fill behind people that are in support positions and need to be redeployed.

The full effectiveness that you get from that enforcement presence is yet to be seen.

Mr. KOLBE. I think that says that we don't have the agents there.

Ms. MEISSNER.You are getting them in the remainder of this fiscal year.

Mr. KOLBE. Okay. You just talked about hiring new ones; this was supposed to be 38 redirected agents.

Ms. MEISSNER. That is exactly right, but in order to redirect, you have to hire people behind them.

Mr. KOLBE. The support agents?

Ms. MEISSNER. That is right. That hiring is going on in the second half of the year.

Mr. KOLBE. You believe that all of these will be in place by the end of the fiscal year?

Ms. MEISSNER. Yes.

Mr. KOLBE. It would be useful to know at this point, as of this date or whatever date, the first of the month, whatever is a convenient date to use, how many actually have been put in place, either the new support agents hired and how many redirected agents have been there.

Ms. MEISSNER. We will do that.

[The information follows:]

HIRING OF SUPPORT PERSONNEL, TUCSON AND YUMA BORDER PATROL SECTORS

As of the end of April 1994, 22 support personnel vacancies had been announced. Selections for the positions had not yet been made. By the end of the fiscal year, all support personnel allocated to the two Sectors will be hired. Redirection of Border Patrol Agents from support duties to the line will be accomplished by the end of the fiscal year.

BORDER CONTROL

Mr. KOLBE. Do you agree with the idea that we have to think about this border as an entity, as a total problem, rather than taking it piece by piece?

Ms. MEISSNER. Absolutely, and that is exactly why we are proceeding the way we are proceeding. We are looking at the border as an entire entity, and not just as an entity from the standpoint of the Border Patrol.

We are looking at it as an entity that is not only a point of illegal crossing, but an important place of legal crossing. Part of that, of course, is the new reality of NAFTA; part of it is just our traditional responsibilities to be facilitating legal traffic as well as preventing illegal entries.

What we have under way this fiscal year and the next fiscal year addresses the major crossing points first. The program at El Paso and the program that we are putting into place in San Diego does that. Arizona has always, in our minds, been the clear next critical spot to determine how much diversion and displacement is actually going on. The percentages that you cite may well be the beginning point of that displacement. We are not quite sure yet.

In the fiscal year 1995 request that we are talking about today, the 150 new agents and the 240 additional agents to be freed up have not allocated those geographically at this time. We have not allocated them because we need to see what is the result, from a displacement standpoint, of the buildup in this fiscal year.

Mr. KOLBE. I can only respond with anecdotal evidence, but from Border Patrol agents in charge down there, meeting with them as recently as last Friday, I can tell you that their interviewing of people that they are arresting, picking up, would suggest that they are being redirected, mostly by the smugglers from the El Paso and the Tijuana-Mexicali region.

Ms. MEISSNER. Exactly. We are watching that very closely, and it is exactly why we are holding these fiscal year 1995 positions to be sure that they go to the right places so that we respond to the displacement of illegal traffic.

FACILITATING BORDER TRAFFIC

Mr. KOLBE. I was pleased to hear you mention the issue of legal immigration. I have, with each of your predecessors talked about that, because as one who represents a border region and the families and business people and communities and organizations along the border, I think we sometimes forget that we are talking also about facilitating legal immigration. And I would urge you to again, in thinking of this as a total entity, to think about that problem.

I can tell you, for example, in a place like Nogales, most of those people coming across illegally come across illegally not because they are staying in the United States; they come over to go to the Safeway store which is 100 yards from the border, and then they just walk back through the gate afterwards. It is such a hassle to get across legally because they don't have a card.

There was a backlog of more than six months in the processing of the border card out there, that people just choose to come across illegally there.

Ms. MEISSNER. I completely concur. This has been a very important concept for me. It is a concept I brought with me to the Service; it is one that we are implementing. In this next budget in fiscal year 1995, there will be approximately 200 additional positions available for inspections, for purposes of being more rapid in our processing of applications for border crossing cards.

When the El Paso initiative was put into place, we got some very interesting numbers on what actually occurred. Ten to fifteen percent of the people that we were apprehending could have crossed perfectly legally, but it took them longer to cross legally than to come across the river. As part of the El Paso activity, we beefed up our staffing at the bridges and at the legal crossing points, exactly to be able to respond to some of those things.

We would like to try out some additional facilitation measures on the southwest border. We are starting a test in Hidalgo, Texas, for instance, on an electronic card. It is an INS pass system that we presently use at airports that allows people that are frequently crossing to put a card with a biometric index into a machine and just walk through without having a routine inspection.

There is potential for commuter lanes. There are all kinds of potentialities which we would like to develop.

Mr. KOLBE. Back on the question of the growth of illegal immigration and the number of apprehensions in the Tucson sector, let me just say I don't want to make dire predictions and apocalyptic statements. But you know that we have had some terribly, terribly tragic incidents in that sector because of the desert, of mostly Salvadoran refugees who have died in large numbers having been dumped in the desert in the middle of the summer by smugglers—coyotes. With this kind of an increase that we are seeing here, let me just say the probability of this occurring again this summer is extraordinarily high, and there will be national coverage and national television attention. It will be the leading news story for two or three nights when 10 or 15 people are found dead or dying in the desert as a result of something like this. And I would hope that we could try to avoid this by having sufficient coverage of that border.

One of the issues you need to have is the kind of flying coverage that spots these things in the border region when it happens. I know you have done some things trying to tell people about the dangers of doing that, but with these people coming up from Central America it is very, very difficult to get that kind of information on the other side of the border to those people.

So I would just say that is another reason for us to be very attentive to this region during this summer period.

BORDER FENCES AND GATES

On a more parochial issue, or a smaller issue, but right in the same line, we have had an issue as a result of putting the fence in, which is going in at Nogales now—the new barrier with the PCP fence going up there. We have discovered a new problem, and that is that, as one might expect, illegal immigrants find other

ways around that, and the new way is—particularly for these young teenagers—to come through the drainage tunnels that cross the border, sewage and drainage tunnels. That is a major problem because it dumps them, right smack, a few hundred yards from the middle of the downtown sector; and we are talking about kids that are generally high on drugs, and are serious juvenile problems.

We have been working with the International Boundary and Water Commission and the joint task forces six to try to resolve this. We got an agreement on what could be done to construct gates that could block this from happening. The IBWC has said it is not their responsibility, they have only the responsibility for marking of the border itself.

In the past, the Border Patrol has always acknowledged their responsibility for securing, the border and we thought this was resolved in this case. But this week the agent in charge said, we are going to hold off on doing anything until we decide who has the responsibility for building and maintaining security grates in these tunnels.

Can you tell me what your view is as to whether or not it is a Border Patrol responsibility to maintain that kind of security?

Ms. MEISSNER. We do believe it is our responsibility to maintain the security. We have also tried very hard to exercise some leadership in this particular situation with the drainage tunnels and have done whatever we can to cooperate as the parties come together and try to address it. We do not believe that we should be in the business of building the grates.

Mr. KOLBE. Why not? You are building the fence? Why would you not build the grates?

Ms. MEISSNER. Well, because it does have to do with the drainage and the sewers and the things that the International Boundary and Water Commission is responsible for.

Mr. KOLBE. Well, they agree that it has to be designed in a way that meets their requirements from a water standpoint.

Ms. MEISSNER. Right.

Mr. KOLBE. But from a drainage standpoint you don't need any grates. The grates are there for security.

Ms. MEISSNER. That is right.

Mr. KOLBE. You are saying that is not your responsibility?

Ms. MEISSNER. No. When we talked about security, I was assuming the security to be the security of the area, of the land and the crossing next to the tunnels, et cetera.

You are saying that we have said that we would not maintain the grates?

Mr. KOLBE. You have said, at the moment, until you resolve who is going to pay for building them and for maintaining them, that you don't want to go ahead with this.

Ms. MEISSNER. I am not aware of that.

Mr. KOLBE. We are not talking about a small cost, by the way.

Ms. MEISSNER. That is a development that I am afraid I am not aware of; if that just happened this week, then I will have to check on that. I had understood that to have been resolved.

Mr. KOLBE. Let me make sure I understand what you were trying to tell me.

You are saying you have questions about whether the maintenance of them is your responsibility?

Ms. MEISSNER. I think—since there is a new question on this, I think I had better find out what the question is.

We take responsibility for the security of the area, of that part of the border where the tunnels are. But as to the grates themselves and what the discussions have been, I can't comment any further, because I just don't know the substance of discussions.

Mr. KOLBE. Well, I would like to know, then. Because the county commissioners, county supervisors are fit to be tied. We had an agreement worked out, we had a meeting with everybody, and everybody went away thinking that it was going to be done. The design was completed, everything was prepared, and then, lo and behold, this week we have been told, no, we are not going to go ahead with this until this issue is resolved.

So I would like to hear from you on this.

Ms. MEISSNER. Okay. This matter has been a very important concern to a lot of people. I appreciate that. So I will follow up on this.

[The information follows:]

NOGALES, ARIZONA, BORDER TUNNELS

The Immigration and Naturalization Service is coordinating with the International Boundary and Water Commission (Department of State) and other parties to resolve issues related to the construction of barriers inside the drainage tunnels at the border with Mexico at Nogales, Arizona. The issues to be covered in contacts with the Commission include examination of the legal issues pertaining to liability and reimbursement of the State of Arizona for the cost of erecting the barriers.

On May 12, 1994, INS officials met with Congressman Ed Pastor, staff members of the Arizona congressional offices, city and county officials, and International Boundary and Water Commission representatives to discuss possible solutions to the issues related to the tunnel barriers. While no consensus was reached, the Service continues to be involved in on-going discussions regarding the tunnels.

On May 19, the City of Nogales signed a Memorandum of Understanding with the Department of Defense (DOD), JTF–6, indemnifying DOD from liability and long-term responsibility, clearing the way for construction to begin on grates in the tunnels.

The City of Nogales has erected a temporary barrier at one of the tunnel exits.

COSTS OF SERVICES FOR ILLEGAL IMMIGRANTS

Mr. KOLBE. Let me just ask one final question, if I might, before we go on, and that is a more general philosophical one as to where you come down on the issue of how we pay for the costs of this problem along the border. We have staggering and enormous costs to law enforcement in these border communities. Health care costs, education and social services, the drain on these programs from the large number of illegal immigrants, is absolutely staggering.

For example, in Santa Cruz County—I actually don't represent Santa Cruz County, but it is the major crossing in Arizona, where Nogales is located—a tiny county with only 15,000 residents, about 70 percent of the inmates in their jail are foreign nationals. And that doesn't include the ones that the Border Patrol is just taking back across the border. These are the ones in there.

Do you believe that the Federal Government really should have some responsibility for maintaining or for paying some of the costs of these problems along the border?

Ms. MEISSNER. Yes, I think the Federal Government does have some responsibility, and I think that this administration is facing up to that issue in a way that has not happened earlier.

Mr. KOLBE. I would agree it hasn't happened earlier.

Ms. MEISSNER. We are involved in a major analysis with the large States at the present time to try to document what these costs actually are. We are clearly, in the Immigration Service's budget request, trying to signal the beginning of an ongoing funding obligation that we take on for strengthening enforcement, so that these costs can ultimately be prevented to a much greater extent than has been the case in the past. I think that this issue of costs between States and the Federal Government—who is responsible and what is the best way to share them—is a critical Federal-State issue which we are prepared to discuss.

Mr. KOLBE. I appreciate your comments in that regard, and I certainly will look forward to engaging in that debate, whether it is in this Committee or elsewhere. Because the border is an international problem, and to the extent that we as a Nation, as a Federal Government, are unable to control the illegal immigration costs of the border—and I think it is realistic to assume we never will be able to control it completely—that poses enormous problems for these local communities that are just—in some cases, just staggering for very small and very poor communities.

They all tend to be very poor, with perhaps the exception of the San Diego area along the border.

Mr. PACKARD. They are even poorer.

Mr. KOLBE. Well, it is slightly larger and may have a little more wealth than some of the communities I am familiar with.

Mr. PACKARD. And 20 times more illegals.

Mr. KOLBE. It is a staggering number, and I just believe that there needs to be a Federal acceptance of this responsibility. So I appreciate your comments.

Thank you, Mr. Chairman.

Mr. MOLLOHAN. Mr. Taylor?

ILLEGAL IMMIGRATION

Mr. TAYLOR. Madam Commissioner, I don't have time, being down low on the list here, to be shocked about the fingerprinting issue, so I will not ask any questions on that. I will get right into other areas.

How many illegal aliens do you think we have in the United States today?

Ms. MEISSNER. About three million.

Mr. TAYLOR. About three million? I have heard estimates from my colleagues here from California and Arizona that they think there are that many in California.

I have heard a figure that is many, many times that.

Is your figure accurate or based on a best estimate. Is it just horseback, or do you have some—

Ms. MEISSNER. No, I am not giving you a back-of-the-envelope estimate. It is three million.

About three million for purposes of this kind of discussion is a fair number. It is a number that is monitored by the Immigration Service continuously. The Immigration Service's numbers on illegal

immigration are the numbers that are generally accepted in the statistical and in the policy community as accurate. They are the numbers, interestingly enough, that the Census Bureau uses.

About three million is an accurate, working number.

Mr. TAYLOR. How does that compare with the number of legal aliens that are here? How many, approximately, legal aliens?

Ms. MEISSNER. Well, legal immigration annually is running about 800,000 to 1 million.

How many people are legal immigrants at the present time that have not yet become citizens, that is about 6.5 million people.

Mr. TAYLOR. How many illegal aliens were granted amnesty or legal status last year? Were any?

Ms. MEISSNER. No. The amnesty program was concluded in the 1980s.

COSTS OF SERVICES FOR ILLEGAL IMMIGRANTS

Mr. TAYLOR. All right. We have—you state in your speech, and I agree, that you would like to reduce the magnet of job opportunities. How do you feel about reducing the magnet of benefits, health care, social services, citizenship to those children born of illegal aliens in this country? That is a strong magnet, probably as strong, I think in many cases, as the other, the economic magnet.

Ms. MEISSNER. Well, obviously, the social services questions are being hotly discussed these days. I think the fact of the matter remains that people come here illegally, largely and predominantly for the opportunity to work. From an enforcement standpoint, it is the workplace that is the most desired by the undocumented immigrant. It is the place that we should be concentrating our enforcement activity.

I think if you can significantly reduce the opportunity to work, you will derivatively reduce the social services issues as questions. The focus needs to be on the workplace.

Mr. TAYLOR. Perhaps I could be more direct.

Legislation has introduced in Congress to prohibit Federal benefits to illegal aliens, except in cases of emergency health care. Would you support that concept?

Ms. MEISSNER. Within the administration, we are cognizant of all of that legislation and looking at it. I am not prepared at this point to give you an official position on that.

FOREIGN-BORN PRISON INMATES

Mr. TAYLOR. I think you classify 27 percent of the inmates in Federal prisons as noncitizens. What percentage of those would be illegal aliens?

Ms. MEISSNER. We don't know. They are not by any means, all illegal aliens. Some of them are legal aliens who would be subject to deportation depending on the crime that they committed.

One has to look among that population of foreign born inmates in order to determine who is actually deportable. That is part of what makes the criminal alien work somewhat labor-intensive at the present time.

The initiative that we have given you is a series of automation initiatives that will allow us to do that by machine rather than

by—to do large amounts of that by verification machine, so that we can do it in a much more efficient way.

Mr. TAYLOR. So you may have an answer sometime in the near future?

Ms. MEISSNER. We will have an answer sometime in the near future, assuming that the near future is next fiscal year.

Mr. TAYLOR. I feel sort of foolish going home and when I am asked that question, telling them we don't know. My constituents presume that our prisoners are at our disposal and that we can make those determinations.

Ms. MEISSNER. They are at our disposal. We do at the present time interview them all to determine who is subject to deportation. And obviously we deport those who are. But what we are asking for in this proposal will allow us to do that much more—with much less labor intensity than we do at the present time.

Mr. TAYLOR. And be able to know how many are illegal as opposed to—legal I support that. I recognize it is a product of work and numbers that you need to produce that, because there are other things you are doing. But I am just saying, the quicker we could get that, I would appreciate it.

[The information follows:]

INS ASSESSMENT OF THE PROJECTED CRIMINAL ALIEN POPULATION

Statistical indicators show a trend toward an increase in the foreign-born/criminal alien population of the Nation's correctional institutions. For example, the Bureau of Prisons (BOP) reported that between fiscal year 1980 and fiscal year 1993, its non-U.S. citizen inmate population grew from fewer than 1,000 to 17,600 -- an increase of more than 1,700 percent. (The BOP obtains citizenship information directly from its prisoners.) By the beginning of fiscal year 1994, 25.6 percent of the inmates in BOP custody were non-citizens. The BOP notes that the percentage of non-citizen inmates increases each year. The main reason for this formidable rise is the dramatic increase in the number of alien drug offenders arrested and convicted in recent years.

A survey conducted in January 1991 for publication in The National Journal for Corrections Professionals reflected a combined foreign-born inmate population in Federal and State prisons of nearly 43,000. By January 1994, the combined figure approached 84,000 inmates.

Among the individual States, the increase in the number of foreign-born inmates in State correctional institutions in California and New York has been particularly dramatic. For example, between 1991 and 1994, the number of foreign-born inmates in the California Department of Corrections' (CDC) facilities who were identified as deportable rose from 12,578 to 17,700 -- a 29 percent increase. Given this current rate of growth, the CDC projects a 25 percent increase in its total inmate population by the end of 1996. This translates to 160,000 inmates, an estimated 22,000 of whom will be foreign-born.

Recent events point to further increases at a more rapid rate. With the California Assembly's passage of "three strikes and you're out" legislation, for example, the State is preparing plans to handle an expected 245,554 inmates by fiscal year 1999. An estimated 40,000 will be aliens who are deportable based on their criminal offenses.

Similarly, in New York, the overall state inmate population increased by 78 percent between 1985 and 1992, while the foreign-born inmate population rose by 194 percent and is expected to rise still higher.

In New York City the recently-elected mayor pledged during his mayoral campaign to increase the number of street narcotics arrests. Further, the murder of a New York City police officer by an illegal alien in March prompted the Police Department to abandon its policy of not reporting arrests of suspected illegal aliens to the INS in favor of a policy of notification of every arrest of a suspected illegal alien. The Service anticipates a minimum of 17,000

notifications per year.

In view of these projections and others associated with the Institutional Hearing Program, immigration judges and INS will be faced with a substantial, growing caseload in the future.

EXPEDITED DEPORTATION

Mr. TAYLOR. Would you support an effort to deport illegal aliens immediately upon conviction of a felony, or at least if we have reciprocity treaties with the country from which they originate?

Ms. MEISSNER. Under certain circumstances. We do have that kind of a treaty with Mexico, and we are working under the treaty in the case of Mexico. It requires a voluntary action on the part of the prisoner, but people actually are responding in fairly large numbers.

Mr. TAYLOR. Could we not change that? I mean, you know, I have been to Mexico. Fortunately, I have not been incarcerated there, but I have seen their jails; and I could see why the folks would not give up our Federal prisons to go back to Mexico. And is it necessary for that to be a voluntary matter?

Now, through the treaty, it may be that there is no constitutional bar that I know of.

Ms. MEISSNER. No.

Mr. TAYLOR. So it would mean a renegotiation?

Ms. MEISSNER. That is right. We are using it. The Attorney General has been very focused on this issue, and it is at her behest that the Bureau of Prisons and the Immigration Service—but this is to some extent more a Bureau of Prisons issue—have made a very active effort to elicit volunteers among the Mexican prisoners. The response has been that about 800 people have volunteered to return to Mexico.

The approach has been to try to use the treaty as it exists as fully as possible, but certainly there has been discussion about changing the treaty.

DETENTION OF ASYLUM APPLICANTS

Mr. TAYLOR. The legislation that is before Congress now would give the Attorney General the right to make the determination of whether or not we would request it, because we might feel their punishment could not be obtained in the country of origin, and we would leave that option open.

But other than that, I would hope we would be able to do it.

What are your thoughts on detaining asylum seekers until they have gone through the hearing process? I appreciate what you are doing in speeding up that process. I think that is very important, but we know that many of the people who come in do not go back; and at one time we had a policy in the country toward that end.

What would be wrong with detaining people who come for asylum until their process is completed?

Ms. MEISSNER. Well, I am not sure that there is anything intrinsically wrong with it. From a practical standpoint, we don't have the facilities at the present time to do so. Therefore, we have had to set priorities.

Our priority has necessarily been on criminal aliens and on aliens who have committed serious immigration law or other violations that would create public safety issues. Until we have this criminal alien issue addressed more fully, which we are intending to do and are doing, we can't really get to the asylum question, just as a matter of detention capacity.

Mr. TAYLOR. I think we could. I think there is support. We have numerous military bases being vacated. We are talking about a relatively low-security-type situation; and I think there is support that we could find from the American people, because they are very interested in this question of immigration and illegal immigration. They recognize that immigration laws are being abused; I think they would support a realistic effort to stop this, and it is within our power to do so. I appreciate your time.

Thank you, Mr. Chairman.

Mr. MOLLOHAN. Mr. Skaggs?

VISA PROBLEMS

Mr. SKAGGS. Thank you, Mr. Chairman.

Good morning. I apologize for not being here for all that has preceded. Just a couple of questions.

The area that I represent in Colorado includes the University of Colorado, which often is in the predicament of finding the kind of academic talent that it needs to do certain course preparations only overseas, and runs into some problems with negotiating the traps with immigration to make that happen. I am not sure how that experience runs nationally and whether you all are addressing or attempting to address that question.

Clearly, we remain world class in higher education, and we need to be able to keep that position for all kinds of reasons.

Ms. MEISSNER. Well, are you concerned about the timeliness with which we respond to people's applications?

Mr. SKAGGS. There seems to be a general level of difficulty in—and I am not sure what category of visa we are talking about. Certainly, sometimes they are temporary slots and sometimes they are looking for a permanent immigration status.

Ms. MEISSNER. The changes in the 1990 immigration law addressed to some extent concerns that universities had. Some of this was legislative. There were some areas in the visa categories that were directly responsive to a whole group of university presidents that had put a series of issues on the Congress's agenda. There may still be some problems in the statute.

Mr. SKAGGS. Well, I don't have anything more specific coming to me through my office in Colorado, which handles all of this casework. Perhaps we can establish a side connection with your staff to try to figure out exactly what is the problem.

I thought perhaps you were aware of a more generic category and could address it.

Ms. MEISSNER. I don't think so. We handle these petitions in quite a timely fashion; and we have not had any specific complaints from universities that I am aware of since I have been here.

SIMPLIFYING INS PAPERWORK

Mr. SKAGGS. The second point I wanted to raise with you, and it is to some degree related in that it comes out of casework experience in my office in Colorado, is the seemingly excessively complicated nature of the INS paperwork process generally. I haven't done my homework to see whether or not, as part of the whole Reinventing Government effort, you all are undertaking to make your system more user-friendly.

But I wanted to invite you to comment on that, as to what is in the works?

Ms. MEISSNER. Okay. Well, the funding initiative that we have before you for the next fiscal year is fundamentally based on a major technology investment in the Service and in modernizing its databases and its automation capability. We have never had at one time the critical mass of money that allows us to really build an integrated information system that is required to provide the kind of customer service that you are referring to.

If we get this money, we will have that, and that will allow us to reinvent a whole series of processes, even to the point that we may not need, in many cases, to have paper submitted to us. In other words, we would be in a position of electronically receiving, in the way that other agencies do, applications for benefits. In the case of major users, such as universities, that should be within our grasp within a year.

So we ought to be able to just skip over some of these very paper-intensive processes. We have not had the automation infrastructure that would allow us to do that. In the case of applications that we process, we actually are far enough along in our software development that if we can finally, connect our applications processing systems with our overall records systems and get the equipment out to our offices in sufficient mass, we will be able to provide far better service, just enormously better service.

We really do have a lot riding on this budget initiative that we are talking about today.

Mr. SKAGGS. Mr. Chairman, I understand we have already talked about fingerprints, and I gather that you have revisited that issue.

Ms. MEISSNER. That is correct.

Mr. SKAGGS. And are confident that you will now be running through the FBI when you really need to.

Ms. MEISSNER. Well, we will be abiding by the earlier policy for a while and coming back to you with another proposal.

CHALLENGES FACING INS

Mr. SKAGGS. In closing, I would just invite you, if you would care to wax philosophical about your job and your challenge. It seems to me we are, as a society, somewhat schizophrenic about both our roots in immigration and our apprehension of it. And when you are out talking to the groups, that I am sure you talk to, what you say to continue to reach moral appeal as to the continued role of legal immigration in this culture.

Ms. MEISSNER. Well,, I would say to you the same thing. I would say to you, what I believe and what the administration is trying to achieve; and that is that we support legal immigration and we want to frustrate and combat illegal immigration. It is really that simple.

But the two are very connected, and I think it is fair to say that the public, the American people, will not be able to support generous levels of legal immigration if they do not feel confident that illegal immigration can be effectively thwarted.

I think it is very important that we strengthen our immigration system, that we strengthen our administrative machinery, that we are able to deal with the abuses that occur within the immigration

system, precisely so that we can maintain a healthy immigration tradition.

The immigration tradition that we have had as a nation has been a critical source of vitality for the country; it is an ongoing source of renewal, and I am devoted to that. I hope as a nation we can stay devoted to it.

It does require public support, however, and I believe that that public support needs to be bolstered so that we can be confident that we, in fact, are responding to misuses in the system.

Mr. SKAGGS. Thank you.

Thanks, Mr. Chairman.

SAN CLEMENTE BORDER PATROL CHECKPOINT

Mr. MOLLOHAN. The committee would like to welcome a distinguished colleague, Mr. Packard, who has joined the committee for purposes of this hearing.

Mr. Packard?

Mr. PACKARD. Thank you, Mr. Chairman. I sincerely appreciate you accommodating me in being able to come and discuss a very important issue with the Director of INS.

I want to thank Mr. Rogers and Members of your committee for inviting me, even though I feel like I am at home, because most of the Members of this Subcommittee I sit with on other Subcommittees on Appropriations.

There is no question in my district that the most significant concern and issue of all of my constituents and that of districts around me is illegal immigration. It has for 11 years loomed as the most important issue that I have struggled with in my district. It is not something that has come and gone; it has remained with me as a significant issue.

I won't discuss a lot of the issues that the Subcommittee has already dealt with, but I would like to concentrate on discussions that we have had together, along with some of your staff and our staff regarding the checkpoints in my district.

There are two checkpoints north of the border, both of them about 40 or so miles north of the border on the two major entry States that pass north and south within my district, and they are of significant controversy in and of themselves. I really would like to try to zero in this afternoon on where the INS is going to be going with those checkpoints, what their plans are, what their intentions are, and what your goals are in reference to the checkpoints.

May I just ask as the first question; how important are the checkpoints to your overall strategy in trying to curtail or to contain the illegal migration within the United States?

Ms. MEISSNER. Well, the checkpoints, particularly the checkpoints that you are talking about in your district, have been very important as a secondary protection behind the border, backing up the border. They have been very productive. The Border Patrol as part of the Immigration Service has been very diligent about using those checkpoints and believes strongly in their effectiveness. They have been an integral part of the enforcement strategy at the southwest border.

Mr. PACKARD. And do you expect that will continue, that it will be a high priority in terms of a second line of defense, or is there a feeling developing within INS that perhaps those assets, and those personnel as well as the physical assets, could be better spent at the border in preventing them from crossing initially rather than from stopping them again after they come in to our country?

Ms. MEISSNER. I think it is fair to say that we are relooking at the border enforcement, the way that we do border enforcement from A to Z, sector by sector. We have begun obviously with the program in El Paso, which has had a very different emphasis from what El Paso's effort has been in the past.

We are taking that philosophy to San Diego and making a major buildup in San Diego, as you are aware, with an eye toward a much more effective prevention strategy than a strategy based on apprehensions. I was just talking with Mr. Kolbe. Our next area of concern is Arizona, because we are concerned about the displacement effect from our effectiveness in El Paso and what we expect will be happening in San Diego.

We are concerned about the degree to which the undocumented crossings are displaced to other areas. Where San Diego is concerned, Arizona would be the next impacted. We have a program of going sector by sector along that southern border to try to determine what the best use of our resources is.

Now, what implications that has for the checkpoints in California, I can't tell you. It is too soon to say. We are just at the beginning of this effort of making serious targeted buildups and doing careful measurement to give us some clear indices of where to go in the future.

Mr. PACKARD. We think that San Diego should probably be your focus of attention because there is more illegal crossings in that 14-mile stretch of San Diego County and Mexico than all the rest of the illegal crossings in the entire country.

Ms. MEISSNER. It has been. You heard part of the discussion I had with Mr. Kolbe. We made a very, very strategic decision that we were focusing on two places on the border, San Diego and El Paso, because those were the highest places of crossing. Other areas along the border where there are serious sensitivities would not, at the moment, get that same attention. We are very, very focused on San Diego.

Mr. PACKARD. During the past five years, we have tried to analyze how best to utilize and make the checkpoints more effective. We have tried to develop a strategy and a plan that would make the checkpoints more effective.

I strongly believe that the only way that they will be truly effective is for them to operate around the clock, 24 hours a day, 7 days a week. Otherwise you can manipulate the system thus diminish its effectiveness. We developed a plan, as you well know, of establishing or building a new checkpoint and making it so that it would operate full-time, and that it would not slow the traffic down. It involved several modernization changes, additional gates and lanes, et cetera. We actually went ahead and got the funding for it and now INS has been rethinking that whole plan.

I need to know whether we are planning to keep the checkpoints and make them operative around the clock, or whether we would

better serve that entire area by concentrating those personnel on the border. I go through those checkpoints every day, sometimes two or three times a day, when I am out in my district, and I know how many people, how many automobiles, how many physical assets, how much money is being spent to operate the checkpoints.

If that same amount of money was concentrated at the border, there may not even be a need for the checkpoints. We may actually be able to prevent enough people from crossing the border that the checkpoints would become not meaningless, but certainly not cost-effective. That is what I am trying to find out, where do you want to go with those checkpoints in the immediate future.

Ms. MEISSNER. Well, I certainly think you stated one possible outcome of the concentration of resources that we are putting into the San Diego sector. It is the case that if we are effective as we think we will be with this buildup, and particularly with this mixture of personnel and technology which we think is by far the most sophisticated and useful enforcement approach that the Service has come up with to that problem, one outcome of that could be a rethinking of the checkpoints.

But I am not prepared to say that is an inevitable consequence at this point, because we are simply too early in the process.

Mr. PACKARD. I guess that brings me to my second concern, and that is the timing of the process. My constituency, as I have mentioned, is so concerned about it that I don't know that they could wait a long period of time. When the message came out that it would take 10 years to develop the new checkpoint and to implement it and get it operative around the clock, that sent my constituency ballistic, because 10 years is too long to wait for a solution to the problems that we face on a daily basis.

How long are you talking about in terms of being able to build a checkpoint if that is what you wish to do, and—or concentrate your resources at the border?

Ms. MEISSNER. The major buildup in San Diego at the border is occurring right now, and it will be at full strength by the end of this fiscal year, which is September. By the end of this calendar year, October, November and December, we will be getting a very clear indication of how much impact we are having. That seems to me to be as aggressive and as fast a response as one can expect under these circumstances. I would think at that point we will need to begin to look at some of these derivative consequences and make an assessment of what they mean.

Mr. PACKARD. And will that include a decision as to whether to expand the checkpoints as planned originally?

Ms. MEISSNER. I think the checkpoints certainly are part of the overall enforcement strategy, so that if the front-end enforcement begins to work the way we are expecting the front-end enforcement to work, then we will have to ask ourselves questions about the checkpoints. But as I say, it is too soon really for me to speculate on what the outcome for the checkpoints will be.

I am also saying that by the end of this year, we will be having that discussion.

Mr. PACKARD. Mr. Chairman, we have operated in our area on the basis that the checkpoint, particularly on I–5, would be en-

larged to 16 lanes with gates that would be electronically controlled.

It has been through the design phase; we had the money for it, and it was the only solution that my cities and my commuters were willing to accept. And even some of them were a little anxious about that as a solution, because of the traffic congestion it might create and the inconvenience to the regular, daily traffic.

I can't tell you how many cars travel that freeway every day, it is probably one of the busiest traffic corridors in the entire country on a daily basis. The checkpoint becomes a very, very significant inconvenience and maybe even a major stumbling block to where the citizens become very upset that our efforts to apprehend illegals interfere with their daily routine. It becomes a very serious issue to me and they look to me for solutions.

If we cannot make the kinds of improvements at the checkpoint, so it can operate 24 hours a day, 7 days a week, then I am of the opinion, that we ought to eliminate the checkpoints and concentrate our efforts, our resources at the border. We have, I don't know how many personnel at the two of them, but it would be between 100 and 150——

Ms. MEISSNER. Yes. I think it is at least 100.

Mr. PACKARD. And so there are a lot of border patrol agents that are established there, and they do a good job. I work with them on a regular basis. I have absolutely no complaints about the work that they do, nor the effectiveness that they perform at the borders.

There are drug interdictions; they do apprehend a lot of illegal aliens and arms, and so forth. But they are not effective if they don't operate around the clock, and they are not as effective as if we put that same resource at the border itself and prevented them from getting into the country in the first place.

So that is my position at this point. I would prefer to close the checkpoints than to allow time to go on before a decision is made. There is absolutely no way that we would be able to accept an 8- or a 10-year or an 11-year buildup program. I don't think it is necessary.

I can clear the roadblocks with the county and the other agencies if we decide to go ahead and immediately upgrade the checkpoint. I am convinced that I can get those roadblocks cleared if a decision is made by this committee and by the Department that the checkpoints will be built and approved to an around-the-clock operation.

Mr. ROGERS. Will you yield to a question to the Commissioner?

Mr. PACKARD. Of course, I will yield.

Mr. ROGERS. Assuming for the moment that the buildup of resources that you are now doing on the border, at the front, so to speak, is reasonably effective by the end of the year, what would be your attitude then on Mr. Packard's idea of just doing away from the checkpoints?

Ms. MEISSNER. I must say I am very pleased to hear Mr. Packard talk about this, because he has been a real champion of the checkpoint. He has been a tremendous supporter of ours where southern California resources are concerned, where the effectiveness of the checkpoints has been concerned, and we have appreciated that enormously.

Going along with what I said earlier, we are rethinking our strategy at the border from A to Z, and we do believe that the most effective enforcement is to prevent the illegal entry in the first place. We also believe that we are putting into place the best combination of resources that we can come up with before actually testing it on the ground to achieve that.

We want to achieve prevention and we think we can. I do think that one logical outcome of prevention is that one then has to question whether the checkpoints have a rationale or whether those resources ought to be redeployed to strengthen the prevention activity at the border. Therefore, I am very pleased to hear that Mr. Packard is willing to entertain those thoughts.

We are not prepared to make that statement as a policy statement. We are not prepared to in any way suggest that we are even drawing those plans. We want to go at this in a deliberate fashion. Those checkpoints have been productive and they have been very useful. I want to see what the evidence on the ground is from the buildup before we revisit the checkpoints.

Mr. ROGERS. Well, unfortunately—if you will continue to yield for just one more question—unfortunately, we are going to—the subcommittee is going to have to put money somewhere long before the end of the year.

Ms. MEISSNER. But we are not asking you for additional checkpoint money at this point. The checkpoint money and the checkpoint operation are part of our base at the present time.

What we are asking for in new money is money at the border itself, not checkpoint buildup money.

Mr. PACKARD. The Governor of California is going to go to El Paso tomorrow. He invited me to meet with him, but we are working on the Floor on the crime bill and I won't be able to go with him. But he intends to go to El Paso and review what they are doing there, and to see what application it might have in the San Diego area.

We hope that your efforts, the State's efforts, and all of our efforts here in the Congress will be able to strengthen our efforts at the border. You are absolutely right that it is at the border where we ought to interdict drugs and where we ought to interdict illegal aliens. That is where we could solve a lot of the problems northward.

To be very honest with you, the checkpoints act as a holding tank in my district. The cities south of the checkpoint, which is a good part of my district, are very concerned, because we allow illegals to come and then we try to prevent them from going anywhere north of those cities. The checkpoint acts as a holding tank, and that is where my cities struggle with crime, the costs of social services and all of the other problems.

I know that Mr. Kolbe and others have those problems. But they don't know a thing about the size of those problems until they come to my area. There just is no comparison anywhere else in the country. Over 150,000 illegal aliens cross the border every month. A lot of them are apprehended and sent back, but about 150,000, it used to be 200,000 a month, are crossing illegally at the San Diego border, just a 12-mile stretch. Then if we have a holding tank or make it difficult for them to get out to the rest of the country, which I

certainly am not suggesting we do, but it really concentrates the problem into my district, as you can well realize.

Ms. MEISSNER. I understand.

Mr. PACKARD. As Members of the Committee may not have known, but it certainly is true. We have got to have solutions. Long-term, decade-old solutions are not satisfactory, it simply is not satisfactory.

My cities are crying for the closing of the checkpoints, especially those south of the checkpoints, because they feel that they are the victims of the checkpoints in their mission itself. My cities north of the checkpoints would rather have them closed than expanded because of high-speed chases that often emanate from those checkpoints into their downtown streets. So both north and south of the checkpoint, which is where my district is, we have an untenable situation.

I have reached a point where again I have been a very strong proponent of improving, making the checkpoints more effective, and to finance and get the money to do so. I am beginning to feel that maybe that is not the answer, that eliminating the checkpoints might be the answer, assuming that those efforts, those monies, those resources would be concentrated at the border and that our joint efforts would be effective at the border to solve our problems.

To be very honest with you, if we can't solve the problem at the border, the checkpoints are always going to be a problem.

Mr. MOLLOHAN. I think you have highlighted in major points very well here, which we appreciate.

Mr. PACKARD. I appreciate the chance to talk.

Mr. MOLLOHAN. It sounds like you are going to have the kind of relationship with the Service that will allow you to work in cooperation, and it sounds like Ms. Meissner is likewise inclined. I can assure you that the Committee is interested in facilitating that process.

Mr. PACKARD. Thank you for allowing me to come.

Mr. MOLLOHAN. Thank you for joining us.

Ms. Meissner, the Committee very much appreciates your testimony here today. You have been very forthcoming and it has been very impressive testimony. We look forward to working with you on these difficult problems.

I am impressed by your taking the initiative and moving forward with programs that will solve a lot of the problems that have plagued the Service. We will have some questions to submit for the record and we would appreciate your responding to them as quickly as you can.

We will have some follow-up to some questions that were asked about the examination fees shortfall, both as to rate and services that are subject to the fee. We have noted in the GAO report some comments there and several Members of the Committee have noted the IG's comments. We will have some questions about NAFTA and perhaps the improvement of the economies of Mexico and Central America and South American countries. I am curious as to what kind of long-term effect, hopefully beneficial, that might have on this problem. An improved economic condition might have a greater

beneficial effect on this problem than all of the agents that we put down there.

I am very much interested in your comments and the Service looking at that and having any projections with regard to it.

Ms. MEISSNER. Okay.

Mr. MOLLOHAN. Well, we have a lot of questions that we will submit for the record, and we appreciate your answering them.

Thank you for your testimony and I look forward to working with you.

Ms. MEISSNER. Thank you very much. I appreciate it.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN MOLLOHAN

Immigration and Naturalization Service

IG Report on INS Fingerprint Checks

QUESTION: The IG report states, "The inspection confirmed that fingerprint checks are necessary." Do you agree with that statement?

ANSWER: The Service agrees that fingerprint checks are necessary. INS has been studying the possibility of requesting checks selectively rather than in all cases where fingerprints are submitted with applications for benefits. For example, the Service is looking at profiling by age and sex as one possible alternative. The Inspector General's report notes, on page seven, that there are options which could be explored by the Service which would allow the submission of fewer sets of fingerprints to the FBI while still maintaining adequate review standards.

QUESTION: The IG report also states that in many instances INS examiners were approving applications without benefit of the findings from the fingerprint check. Why are your examiners going through the trouble and expense of requesting fingerprint checks if they are not going to use the reports provided by the FBI?

ANSWER: The results of fingerprint checks are to be placed in the applicants' files to be used by examiners in the process of reviewing applications and deciding whether to grant or deny benefits. In the cases noted in the Inspector General's report, the examiners should have had the results of the FBI checks in the case files for use prior to the completion of their reviews of the applications. Steps are being taken to ensure that information on arrest records is included in case files for use by examiners in the adjudication process. Compliance with this policy will be monitored.

QUESTION: The IG report found the average time it took the FBI to complete a fingerprint check was 7 days. This does not appear to be an unreasonable length of time. Can you explain why the examiners are either not waiting for or not using the FBI reports?

ANSWER: An examiner often completes an adjudication of an application based upon his/her judgement that the available information is complete and adequate to make a determination. The FBI does not publish individual results unless they uncover a match ("hit") on a fingerprint. In addition, a monthly computer printout of all fingerprint checks completed for the month is forwarded to INS Headquarters. Therefore, an individual report generally does not go into the applicant's file unless a fingerprint record is identified.

The Service has in the past experienced delays in placing

reports from the FBI in the applicants' files. Therefore, the examiners have been unaware that fingerprint cards which have been submitted to the FBI have actually produced a record. This process has been corrected and the records are being placed in the files in a timely way. In addition, a more complete analysis of the methods of assimilating information is currently under review within INS.

QUESTION: How do you plan to correct this problem?

ANSWER: Instructions have been prepared and sent to the Service Centers and field offices to ensure that arrest records and the results of FBI fingerprint checks are included in case files in a timely manner. Examiners and supervisors have been notified regarding the need to follow procedures regarding fingerprint checks and the need to ensure that arrest record information is used in the adjudications process.

Adherence to the procedures will be monitored. Further, the INS is in the process of forming a team to enhance the existing fingerprint process and better coordinate the process with the FBI.

Examinations Fee Account

QUESTION: The INS funds the expenses for its Adjudications and Naturalization Program from the Examinations Fee Account. The source of the funds in this Account are user fees charged aliens seeking entry to this country or seeking to become naturalized citizens. INS assumed total fee receipts of $348.8 million and obligations of $322.2 million in FY 1994. In FY 1995 they estimate fee receipts of $372.2 million, and obligations of $353.2 million.

Is it true that your funding problems in FY 1994 result from lower than anticipated fee collections?

ANSWER: Funding problems in FY 1994 are the result of lower than anticipated fee collections.

QUESTION: You had anticipated total fee collections of $348.8 million in FY 1994. What is your current estimate?

ANSWER: As presented in the FY 1995 Congressional budget, INS began FY 1994 with an unappropriated balance of $29.5 million and anticipated FY 1994 receipts of $319.3 million. The sum of these amounts is $348.8 million and represents the total available for appropriation.

Of the $319.3 million receipt projection, $310.5 million is associated with existing examination fees and assumed a rate increase would be in effect by June 1, 1994. The remaining $8.8 million would result from implementation of proposed fees for services performed by inspectors at land border ports-of-entry. The estimate assumed that these proposed fees would be effective April 1, 1994.

The current FY 1994 examination fee estimate is $239.1 million. It is based on a review of the first seven months of receipts for FY 1994 and assumes implementation of new fee rates on July 1, 1994. Since the review was done, INS has continued to monitor receipts and is conducting more comprehensive statistical analyses of available data to ascertain whether this downturn in receipts is one that can be expected to continue.

QUESTION: What caused this decline in fee receipts?

ANSWER: The receipts of several large-volume applications have declined. Approximately 36 percent of the projected annual receipts is comprised of relative petitions, naturalization applications, and "green-card" replacement applications. The number of naturalization and "green-card" replacement applications is significantly lower than originally projected. In addition to the decrease in the number of naturalization and "green-card" applications, the amount of revenue generated by relative petitions is declining. The increase in revenue and workload generated from the "green card" replacement program somewhat offset the overall decrease in other areas in FY 1993.

In addition to the large increase in "green-card" replacement applications realized in FY 1993, it is assumed that the increase in naturalization applications received in FY 1993 was a result of the "green-card" program, i.e. immigrants chose to naturalize instead of renewing their "green cards". It is also assumed that a correlation exists between the decrease in the number of each in FY 1994.

Another factor contributing to the fluctuation in applications filed relates to the approximately 3 million persons who were granted amnesty under the Legalization program. As this population adjusted to permanent resident status, they began filing relative petitions for their immediate relatives. This created a large increase in applications filed during FY 1991 and FY 1992. As this group becomes eligible to naturalize, they will continue to generate work over time, but it will generally be of decreasing magnitude.

QUESTION: How much of your decline in fees is due to a reduction in the number of applicants?

ANSWER: The amount of the decline due to a reduction in the number of applications is $43.6 million.

QUESTION: How much of your decline in fees is due to fact that you have not implemented the new fees and fee rate increase proposed for FY 1994?

ANSWER: The earlier projection assumed that a fee rate increase for existing fees would be effective June 1, 1994, and generate $9.4 million in FY 1994. The current projection assumes an effective date of July 1, 1994, which would generate $4.7 million. The difference is $4.7 million.

The earlier projection also assumed that the proposed fees for services performed by immigration inspectors at land border ports-of-entry would be effective by April 1, 1994, and would generate $8.8 million. The current projection assumes the fees will become effective in September 1994, generating a negligible amount of receipts in FY 1994.

QUESTION: Why has it taken the INS so long to implement its new fee regulations?

ANSWER: Implementation of new fee regulations is a lengthy process and incorporates several layers of review to ensure that the product is appropriate. This process includes information gathering, analysis, and drafting of the regulatory proposal. The proposal must be reviewed by the Department and the Office of Management and Budget (OMB) prior to publication.

Upon publication of the proposed rule in the Federal Register, the public has a 60-day period in which to provide comments to INS. The Service must review, summarize, and consider the comments, and prepare a final rule. The final rule is also reviewed by the Department and OMB.

QUESTION: Wasn't this proposed change in fees to have been implemented in 1993, so you would benefit from a full year of receipts?

ANSWER: The proposed change in fees was to have been implemented in FY 1993. The delay in implementing the change in fees was due to the nature of the rule-making process itself and the levels of clearance required before a major change such as the change in fees can be accomplished.

QUESTION: When do you believe the fees will be implemented?

ANSWER: It is anticipated that the revised fees will be implemented on July 1, 1994.

QUESTION: Do you believe the decline in applications is a short-term or long-term trend?

ANSWER: The revised FY 1994 projection is lower than the original projection and is lower than both the FY 1992 and 1993 levels. Based on a preliminary analysis, we expect FY 1995 to show a small increase over FY 1994. However, it is not expected to return to FY 1993 levels.

QUESTION: If applications are down, doesn't it follow that workload is down, and shouldn't associated staffing be reduced?

ANSWER: In fee-supported programs, staffing and support are tied to the availability of resources. Adjustments have to be made for workload variations. In the case of the Examinations Fee Account, an extensive analysis of the workload is now being done, along with a review of all resource requirements in the Account, including staffing levels. A reprogramming is currently being reviewed by the Office of Management and Budget that proposes a reduction in staff for FY 1994. The Service is not yet in a position to determine whether permanent staffing reductions are warranted.

QUESTION: Have you instituted a hiring freeze?

ANSWER: A hiring freeze has been instituted.

QUESTION: If your receipts pick up due to your rate proposal, but applications remain down, do you plan to retain your hiring freeze?

ANSWER: Retaining the hiring freeze would be one of several options available to the Service in adjusting resources in light of changes in workload. Retention of the freeze will depend on the outcome of the workload analysis which is being done now.

QUESTION: Are your estimated fee receipts for FY 1995 still accurate? If not, what are your current estimates, and do these estimates assume implementation in FY 1994 of your rate proposal?

ANSWER: The Service is still evaluating the FY 1995 projection. Based on preliminary data, we expect FY 1995 to show a small increase over the current FY 1994 projection, but considerably lower than that shown in the FY 1995 Congressional budget. The FY 1995 projection assumes implementation of a rate increase in FY 1994.

As the estimate is refined, further information on the receipt estimates and budget levels will be provided.

Land Border Inspections

QUESTION: Is one of the casualties of the Exams Fee Account shortfall the planned reimbursement to the Inspections program to bring on 200 additional inspectors for the land borders?

ANSWER: The planned reimbursement to the Inspections program for 200 additional inspectors has not been affected by the Examinations Fee Account shortfall.

QUESTION: Assuming the fee proposal is implemented in FY 1994, do you plan to fund these 200 additional inspectors in FY 1995?

ANSWER: The Service plans to fund these positions in FY 1995. A proposed rule to charge fees for services at land border ports-of-entry is in a 60-day comment period which ends June 13, 1994. The rule is anticipated to be effective in September 1994. Once the regulation becomes effective, INS will able to begin hiring the additional inspectors.

QUESTION: One of the reasons aliens, with legitimate and legal reasons to enter our country, cross our borders illegally is the sometimes lengthy delays and/or other impediments at the border crossings. Do you plan to implement any other initiatives to facilitate the legal movement of individuals across our land borders?

ANSWER: The Service is aware of the need to facilitate the movement of traffic through the land border ports-of-entry. One approach, already implemented in one location on the Northern border, is the use of dedicated commuter lanes which expedite the flow of frequent crossers into the country. The Service has been working closely with the Customs Service to open additional projects at locations on the Northern border. There are also locations on the Southern border at which dedicated commuter lanes would facilitate traffic movement. However, projects on the Southern border are not permitted pursuant to language contained in the extension of the authorization for the pilot projects.

Another potential means of facilitating traffic at land border ports-of-entry is the automation of the inspection process using biometric technology in performing the inspection. This technology is currently being tested in the INS Passenger Accelerated Service System (INSPASS) at Newark International Airport in New Jersey and at John F. Kennedy International Airport in New York.

This application is being considered for Automated Permit Ports (APP) which are being proposed to facilitate entry to the U.S. for frequent low-risk border crossers in remote Northern border areas. Frequent border crossers from the local area, who have applied and been granted a special entry permit, will be able to enter the country through the port at times when officer staffing is not available and the

port is normally closed. The system will use biometric data (i.e., hand print characteristics) to compare with locally-stored data on the entrant's physical characteristics. The use of APP's would be voluntary and a fee would be charged.

Impact of NAFTA

QUESTION: What do you see as the impact of NAFTA on illegal immigration to our country?

ANSWER: The Service does not envision NAFTA having a major impact on illegal immigration to the U.S. in the near term future. The greatest impact of the agreement will be associated with cargo and commercial traffic which will affect the Customs Service.

QUESTION: Will the availability of more, better-paying jobs south of the border result in a loss of incentive to migrate north?

ANSWER: Many recognized authorities expect the Mexican economy will be stimulated and will, in time, expand as a result of growth in trade due to NAFTA. This anticipated increase in economic activity should eventually result in the creation of new, better paying jobs and employment opportunities in Mexico, reducing the incentive to migrate to the U.S. for work.

Border Patrol

QUESTION: In FY 1994, the Congress provided $45 million to add an estimated 600 additional Border Patrol personnel performing line duties along the border (350 new agents and 250 agents "redirected" from support functions). For FY 1995, the Department, through the immigration initiative proposed in the Crime Bill's "Trust Fund", assumes another $264 million for the INS. The initiative assumes an additional 390 Border Patrol agents on the line (150 new agents and 240 redirected agents).

How many agents were on-board at the end of FY 1993, and how many do you estimate for the end of FY 1994?

ANSWER: At the end of FY 1993, the Service had 3,965 Border Patrol Agents "on-board". Depending on attrition and the scheduling of classes, it is estimated that, at the end of FY 1994, 4,315 agents will be "on-board".

QUESTION: Can you provide any statistics on arrests to date for this year compared to last year for the Tucson sector?

ANSWER: During the six-month period from October 1992 through March 1993, 37,282 illegal aliens were apprehended by the Border Patrol in the Tucson Sector. During the period from October 1993 through March 1994, 54,082 illegal aliens were apprehended in the Sector.

QUESTION: Are the number of arrests in the San Diego and El Paso Sectors up or down this year? For the record, please provide comparative arrest statistics for these sectors also.

ANSWER: Apprehensions in the El Paso Sector are down significantly compared to the same period last year. Apprehensions in the San Diego Sector are also down compared to last year, but not as dramatically as in the El Paso Sector.

The following apprehension data is presented for the San Diego and El Paso Sectors:

Sector	October 1992-March 1993	October 1993-March 1994
San Diego	244,347	212,953
El Paso	122,355	34,150

QUESTION: How do you plan to address this shift in workload?

ANSWER: INS is in the process of gathering and analyzing information regarding changes in entry patterns and reasons for possible shifts in illegal traffic on the border. Strategic plans are currently being developed sector by sector across the Southwest border to be able to expand

"control through deterrence" and deal with possible shifts in traffic. Placement of resources received in 1995 and the formulation of 1996 requirements will depend on this on-going analysis and strategic planning.

QUESTION: Is it too late to consider redeploying some of the new agents to the Tucson sector this year?

ANSWER: Plans for the assignment of new agents have been made for this year. The Service is committed to gaining control of the border through the placement of resources based on strategic plans and the continuous measurement of border enforcement effectiveness. INS will continue to assign all new agents to locations based on an on-going analysis indicating the strategic need for agents to gain that control. The Service does not anticipate changing current plans this year for the assignment of new agents.

QUESTION: What is your position on the proposed amendment to the Crime Bill to increase the number of Border Patrol agents by 6,000?

ANSWER: The Administration's immigration initiative does not seek an increase as large as 6,000 Border Patrol personnel in 1994 and 1995. Instead, the proposal for funding from the Crime Control Fund requests resources to gain control at the border using a carefully selected mix of agents, support, and resource-multiplying technologies designed to maximize the enforcement effect of each dollar spent.

In fiscal year 1994, hiring appropriate support staff will allow agents performing non-agent duties, such as welding fences or repairing vehicles, to be returned to the line at a fraction of the cost of hiring a new agent. In fiscal year 1995, investments in key technologies such as automated booking stations and case tracking (ENFORCE), and night vision equipment, as well as additional fencing and lighting, will allow both new agents and agents already "on-board" to be more productive and effective. Agents will spend less time on paperwork and more time performing enforcement duties on the line.

QUESTION: Is this doubling of Border Patrol staffing a reasonable way of enhancing border enforcement, especially considering the constrained budget we operate under?

ANSWER: The Administration's immigration initiative is a reasonable approach for enhancing border enforcement effectiveness and at a lower cost without doubling Border Patrol staffing. The initiative combines limited increases in agents and support, coupled with the redirection of existing agents and the use of technology to multiply the impact of existing personnel on border control activities.

Naturalization Initiative

QUESTION: INS requests $30 million in FY 1995 to "improve naturalization processes and to promote the naturalization of resident aliens". Cost associated with the Adjudications and Naturalization Program, prior to this proposal, have been totally funded through the collection of user fees.

What is the rationale for your requested $30 million increase in FY 1995 for a "naturalization initiative"?

ANSWER: The initiative is a response to the need to help bring newcomers to this country into full participation in our society and its democratic institutions. It is a two-part effort to inform eligible immigrants about the benefits of naturalization and to encourage them to apply. Coupled with this is a plan to streamline the process and add resources to assure that applications are reviewed and acted upon in a timely manner.

Appropriated funding is requested because the Examinations Fee Account is not expected to be capable of supporting the naturalization initiative in 1995. Although INS could have requested funding authority from the Examinations Fee Account for this initiative, the funds would not be available until the applications were received, thereby creating a lag between the work the Service intends to produce and the resources necessary to do the work.

QUESTION: What problems or deficiencies are you attempting to correct?

ANSWER: There are approximately 5 million legal immigrants in the country eligible for naturalization. In addition to this large group, about 3 million additional aliens who became legal permanent residents under the Legalization Program will become eligible to apply for this benefit in 1994, with the majority becoming eligible in 1995 and 1996. It is in the nation's best interest to inform these individuals about the benefits of naturalization and to encourage them to become citizens.

It is expected that there will be a surge of applicants as individuals who became legal permanent residents under the Legalization Program become eligible for citizenship. The Service wants to prevent backlogs from occurring due to this anticipated surge.

QUESTION: $15 million of this request is for "grants to enhance public awareness relative to the benefits of naturalization". I believe that most Americans take it for granted that the vast majority of aliens entering this country to live wish to remain here as citizens. Why is it necessary to publicize these benefits?

ANSWER: The assumption, held by many Americans, that most aliens desire to remain in the U.S. as citizens is not borne out by data on naturalization collected by INS. The

majority of aliens, while remaining in the country indefinitely as permanent residents, do not ultimately obtain citizenship. Studies done by the Service indicate that at least 60 percent of lawful permanent residents never become citizens. These are the people who INS will be addressing in the public awareness campaign.

Many worry about the citizenship test and the interview with an Immigration Examiner. Some do not want to eliminate the possibility of returning to their homelands. Through the initiative, public information and education campaigns will be used to familiarize resident aliens with the naturalization process, address their concerns, and answer many of their questions.

QUESTION: This strikes me as being a "nice to have" program. If you were sitting in my seat and had to choose between eliminating FBI and DEA agents on the one hand, as the Department has requested, or adding funds for a public awareness campaign, which would you choose?

ANSWER: The naturalization initiative is more than a "nice to have" program in the total Department of Justice budget request. While the total initiative contains substantial resources for controlling illegal immigration, there is also a need to commit resources to support legal immigration, particularly naturalization. It is important in the context of the Administration's comprehensive immigration proposal in that it addresses an area that has been neglected in the past.

The initiative is a major effort to reach out to the country's legal residents to inform and encourage them to become more involved in their communities and the nation's institutions by becoming citizens. It is also important to add emphasis to the naturalization program at a time when anti-immigrant sentiment appears to be growing. This will benefit the nation as a whole.

The Service is not in a position to comment on the priorities which exist within the Department's budget regarding the Federal Bureau of Investigation and the Drug Enforcement Administration.

QUESTION: Does the INS or any other public or private organization currently perform such outreach?

ANSWER: The Service has a small outreach program which works with private and voluntary organizations supporting the nation's immigrant communities.

QUESTION: Is this program focused on legal or illegal immigrants?

ANSWER: This program is focused on legal immigrants. Illegal aliens are not eligible for naturalization.

QUESTION: Do individuals who are granted permanent

residence receive information on the benefits of citizenship when they are given their green card?

ANSWER: A brochure is available for distribution to aliens receiving their permanent resident alien cards which provides general information on naturalization. The Service is planning to review and update this publication, and will also examine approaches to achieving wider distribution of this information.

QUESTION: Who will administer these grants?

ANSWER: INS will administer the grants and cooperative agreements with community-based organizations, ethnic group networks, and educational institutions.

QUESTION: The other $15 million is to improve the adjudications process and reduce the backlog of cases. Why are you requesting appropriated funds for these expenses? Should they not be funded from your Examinations Fee Account?

ANSWER: Appropriated funding is requested because the Examinations Fee Account is not expected to be capable of supporting the naturalization initiative in 1995. Although INS could have requested funding authority from the Examinations Fee Account for this initiative, the funds would not be available until the applications were received, thereby creating a lag between the work the Service intends to produce and the resources necessary to do the work.

The timing of the funding is critical to acquiring additional personnel and resources needed to carry out activities related to process improvements and to adjudicate the anticipated increased workload. The initiative is designed to encourage applications. A large number of aliens who were legalized under provisions of the Immigration Reform and Control Act of 1986 will become eligible to naturalize in 1994 and 1995. Naturalization workload is expected to increase during this period and remain above levels which have been experienced in the recent past.

QUESTION: Doesn't the Immigration and Nationality Act require the INS to set these Examinations fees "at a level that will ensure recovery of the full cost of providing all such services"?

ANSWER: Section 286(m) of the Immigration and Nationality Act states that "... fees for providing adjudication and naturalization services may be set at a level that will ensure recovery of the full costs of providing all such services ..." The Act permits full recovery. It does not require it.

QUESTION: Why should taxpayers help pay for these adjudications and naturalization expenses, when the individuals receiving the benefit are required by law to pay a fee equal to those expenses?

ANSWER: Individuals applying for naturalization are paying the required fee. However, the emphasis of the initiative is focused on encouraging and promoting naturalization. The Administration believes that it is in the nation's best interest to have the largest possible number of permanent legal residents fully involved in their communities as citizens.

The grants initiative encouraging naturalization is an indirect cost of the naturalization expense. Therefore, it is not directly related to the processing of the application. The funds requested to improve the process are similar in that the Service is taking measures today that will benefit all future applicants, not just some, during the next few years. The cost is more appropriately borne by the appropriated account so that fees will not be set at higher rates, while infrastructure improvements are being made, and borne by individuals who happen to apply during this period. In addition, when Congress passed the Immigration Act of 1990 it provided for a citizenship promotion program in Section 406, to be paid from appropriated funds.

Employer Sanctions

QUESTION: Would you please explain the need for a $32.7 million increase in FY 1995 to expand the Employer Sanctions Program?

ANSWER: The increase will permit INS to augment efforts in several areas which will have a strong impact on the employment of illegal aliens, generally recognized as the major "pull" factor for illegal immigration. Resources will be committed to the investigation of individuals and groups which produce and market fraudulent documents used by illegal aliens in obtaining employment. In addition, the Service will increase the security features of work authorization documents to make them more difficult to counterfeit.

Additional investigators and support will be added to expand efforts against employers of unauthorized workers. Resources will be committed to investigating a larger number of lead-driven cases, including those referred by the Department of Labor (DOL). The enforcement strategy will also target high-risk industries which have historically relied on unauthorized workers. The Service will also conduct follow-up investigations of previously-sanctioned employers.

The expanded enforcement presence directed toward known violators and high-risk employers will raise voluntary compliance with the law by increasing the price of employing illegal aliens to the point it is no longer an acceptable cost of doing business.

The pilot Telephone Verification System (TVS) will be expanded to provide access to over 500 employers. This will enable employers to obtain accurate information from INS regarding the immigration status of the declared alien seeking employment.

The Service will undertake a major education and training program for employers, targeting those in industries that have historically engaged in hiring unauthorized workers. INS will also initiate outreach efforts to employers both directly and through State agencies, business and trade associations, and similar organizations.

QUESTION: How much are you spending on that program in FY 1994?

ANSWER: In FY 1994 the Service anticipates spending approximately $40 million for activities related to the employer sanctions program.

QUESTION: How will this help reduce the hiring of illegal aliens by U.S. employers?

ANSWER: The initiative will reduce the hiring of illegal aliens by taking action in specific areas which will have

the greatest impact on employment opportunities. Moving against manufacturers and vendors of fraudulent documents, making INS work authorization documents more secure, and expanding the TVS will help employers to identify fraudulent documents during the hiring process. This will limit aliens' ability to gain employment through the use of fraudulent documents.

The expansion of enforcement actions against sanctions violators, coupled with follow-up investigations of previously sanctioned employers, will serve as a warning to potential violators that there is a greater chance of being discovered and penalized. Since most employers are complying with the statutes, INS enforcement efforts are being focused on those areas where noncompliance is highest. The expanded enforcement presence will raise voluntary compliance among the nation's employers by increasing the price of employing illegal aliens.

The expanded education efforts will improve compliance by providing employers with the information they need to meet the requirements of the law. This will contribute to voluntary compliance and will limit employment opportunities for unauthorized workers.

QUESTION: Do you plan to target these resources against certain high-risk industries? If so, which ones?

ANSWER: The Service plans to target high-risk industries as a part of the implementation strategy for this part of the immigration initiative. The Service is currently analyzing its past enforcement actions to determine those industries which have a known history of noncompliance. While the analysis is still being done, it is anticipated that the high-risk group will probably include the meat packing, poultry processing, reforestation, and garment industries.

Airport Inspections

QUESTION: In FY 1994, the Congress approved a $1.00 per person fee increase for airport and seaport inspections. It was estimated that $50 million in additional revenue would be realized from this fee increase. How much do you currently anticipate you will receive for FY 1994.

ANSWER: Total Immigration User Fee Account collections for FY 1994 are estimated to be $276.1 million, exclusive of fines for enforcement activities. Of this amount, $34.3 million is expected to be collected as a result of the $1.00 increase in the fee.

QUESTION: Do you plan to utilize any of these increased fee receipts to hire additional inspectors? If so, when do you plan to authorize the districts so that they can begin the hiring process?

ANSWER: The Service anticipates that increased receipts will be used to hire additional inspectors. Positions will be allocated to several districts, including Miami and Los Angeles, and will begin after approval of a reprogramming request.

QUESTION: I understand that a number of districts are moving very slowly in filling vacant inspector positions, even though they have the funds to fill them. For example, I understand that almost 20 percent of the funded inspection positions at Miami International Airport are vacant. Is that true?

ANSWER: Overall, the districts move as quickly as possible to fill positions after an allocation has been received. Some are able to move faster than others due to the availability of qualified personnel in the recruiting area. In the case of the Miami International Airport, 22 permanent positions were assigned to that location in February, temporarily raising the vacancy rate at that airport.

QUESTION: Is such a vacancy rate normal and reasonable and what can be done to speed up the hiring process?

ANSWER: A vacancy rate of 20 percent is not considered normal. In the case of the Miami International Airport, the district office is in the process of filling newly-assigned positions and may have a temporarily elevated vacancy rate until the recruitment and hiring process for the 22 additional positions is completed.

QUESTION: Since the high volume passenger season is quickly approaching, isn't it critical that not only vacant positions, but also any new authorized positions be filled as quickly as possible?

ANSWER: The Service is aware of the need to have positions filled in advance of the peak international travel season. Steps have been taken to authorize positions on a timely

basis to allow the districts adequate lead time to recruit and hire to fill new positions as well as vacancies.

Land Border Inspections Fee Account

QUESTION: Are you still planning to seek authority to initiate additional commuter lanes at inspection stations along our Northern border. If so, when and where?

ANSWER: The Service is planning to seek authority to initiate additional land border pilot projects along the Northern border. INS has been negotiating the details of a Memorandum of Understanding (MOU) with the U.S. Customs Service. The MOU covers issues related to funding, staffing, equipment, and other areas of control.

The locations of the additional pilot projects are Point Roberts, Washington, and Detroit, Michigan (Ambassador Bridge and the Detroit-Windsor Tunnel). These could become operational this year. Planning has also been done for a project at the Peace Bridge in Buffalo, New York.

QUESTION: Are there communities along the Southern border which have expressed an interest in initiating a designated commuter lane or other innovative means of improving the flow of traffic?

ANSWER: San Diego and El Paso have expressed interest in designated commuter lane projects.

Pre-Inspection

QUESTION: What is the current status of your efforts to expand pre-inspection of passengers at airports overseas?

ANSWER: The Service is continuing efforts to expand the pre-inspection of passengers to additional overseas locations. The Service expanded pre-inspection to Dublin, Ireland, which began operations in March 1994. This is a part of an on-going agency effort to facilitate the inspection process using a variety of approaches and resources.

QUESTION: What overseas airports are you considering?

ANSWER: The Belgian government has given a diplomatic note to the Department of State requesting the establishment of INS pre-inspection operations in a new facility in Brussels, scheduled to be completed in 1995. KLM and Northwest Airlines have asked INS to consider establishing pre-inspection operations in Amsterdam, the Netherlands. Initial informational discussions with the Dutch government and the two airlines should occur later this year. An exact date has not yet been set.

QUESTION: Do you agree with the Justice IG who believes this program is not cost-effective?

ANSWER: The Service has reviewed the draft report on pre-inspection operations and has provided comments. INS has in the past indicated that the value and effectiveness of the pre-inspection program should not be based solely on the unit cost of the immigration inspection. This program has been of benefit to the travelling public and has facilitated the inspection process in the locations where it has been implemented. It serves as a deterrent to mala fide entry attempts, resulting in a savings in detention and removal costs within the U.S. In addition, it has fostered a degree of cooperation with foreign governments which has been of considerable value in other aspects of immigration operations overseas.

Across-the-Board Budget Cuts

QUESTION: There have been several attempts over the past year to mandate across-the-board cuts or general reductions against certain types of expenses as a way of offsetting additional spending. For example, an amendment was offered to the LA Earthquake Supplemental to rescind funds for travel, transportation, printing, other services, and supplies and materials.

Are such across-the-board cuts as harmless as their proponents claim?

ANSWER: Across-the-board cuts are not harmless and do have an impact of the Service's ability to carry out its mission.

QUESTION: Can you provide specific examples of how such cuts would affect your mission?

ANSWER: Cuts in travel affect the ability of the agency to move operations personnel to task force sites, locations experiencing temporary fluctuations in workload, and court hearings. This would primarily affect the Border Patrol, Investigations, Detention and Deportation, and Intelligence programs. Travel reductions in the support programs would prevent the movement of personnel involved in technical support for the field offices, as well as the detailing of personnel to locations in need of temporary assistance due to increases in workload. Cuts in travel would also impact the agency's ability to transfer personnel to new duty posts.

Cuts in supplies and materials would adversely affect all of the enforcement programs, since this element of the budget includes supplies and parts for motor vehicles and aircraft, essential office supplies, computer supplies, and laboratory supplies for the Forensic Documents Laboratory (extremely critical to its operation).

Reductions in contractual services affect the agency's ability to acquire necessary maintenance services for essential equipment, including radios, computers, vehicles and aircraft. It also has an impact on the acquisition of expertise from outside sources, particularly in systems design and development, an area of considerable importance to the Service in view of its complex needs in information resources management.

QUESTION: Do the proposed reductions of $4.0 million for "Administrative Savings" and $3.0 million to absorb locality pay in your FY 1995 request come out of the aforementioned types of expense?

ANSWER: The 1995 budget request contains reductions for "administrative savings" in all of the areas noted. The contractual services component of the request sustains the most significant reduction. The Service also reduced rent, communications and utilities expenses.

The reduction requested for the absorption of locality pay is included in personal services, benefits, and overtime expenses.

Discrimination Complaint

QUESTION: What action is INS taking to resolve the class action discrimination complaint brought by African-American employees?

ANSWER: The case is pending before an administrative judge in Los Angeles. The judge has scheduled a hearing for February 1995. INS is currently engaged in the early stages of case development including the exchange of information with opposing counsel.

It is possible that the Service may be able to resolve this matter without the hearing by way of a settlement with the complainant class. However, the attorneys on both sides agree that settlement negotiation should occur only after each side has developed its case in discovery.

QUESTION: Is it true that a June 1993 internal review by INS concluded that there is serious under representation of African-Americans in the senior and more desirable positions at the Service?

ANSWER: The INS Task Force Study Regarding Under-Representation of African-Americans within the Immigration and Naturalization Service, dated July 16, 1993, concludes that there exists significant under-representation of African-Americans in most officer corps occupations and management positions. While it is an important document, it was not designed as a comprehensive view of discrimination within INS. It is not properly characterized as a formal internal review. Rather, it reports the impressions and perceptions of employees who chose to air their views during that period. It has been helpful to INS management in its work to improve working conditions and relations. However, as under-representation per se is not discrimination, the agency must look to further determine what, if any, evidence of discrimination exists. The discovery undertaken in support of the Norris Potter case is a part of the inquiry.

QUESTION: Are you concerned about the possibility of lengthy and costly litigation should there be further delays in resolving this issue?

ANSWER: INS management is concerned that this litigation not be unduly lengthy or costly. However, with the exception of an extension of time agreed to by all attorneys, there have been no delays in the litigation to date. The Service does not anticipate that there will be any delays.

TUESDAY, APRIL 19, 1994.

DRUG ENFORCEMENT ADMINISTRATION

WITNESSES

THOMAS A. CONSTANTINE, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

STEPHEN H. GREENE, DEPUTY ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

DONALD P. QUINN, ASSISTANT ADMINISTRATOR FOR OPERATIONAL SUPPORT, DRUG ENFORCEMENT ADMINISTRATION

STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. MOLLOHAN. The hearing will come to order. Continuing with our review of the Department of Justice, we will now hear testimony from the Drug Enforcement Administration.

The DEA requests $723,714,000 for fiscal year 1995. We will insert into the record at this point the DEA fiscal year 1995 budget justification.

[The justification follows:]

Department of Justice
Drug Enforcement Administration
Estimates for Fiscal Year 1995
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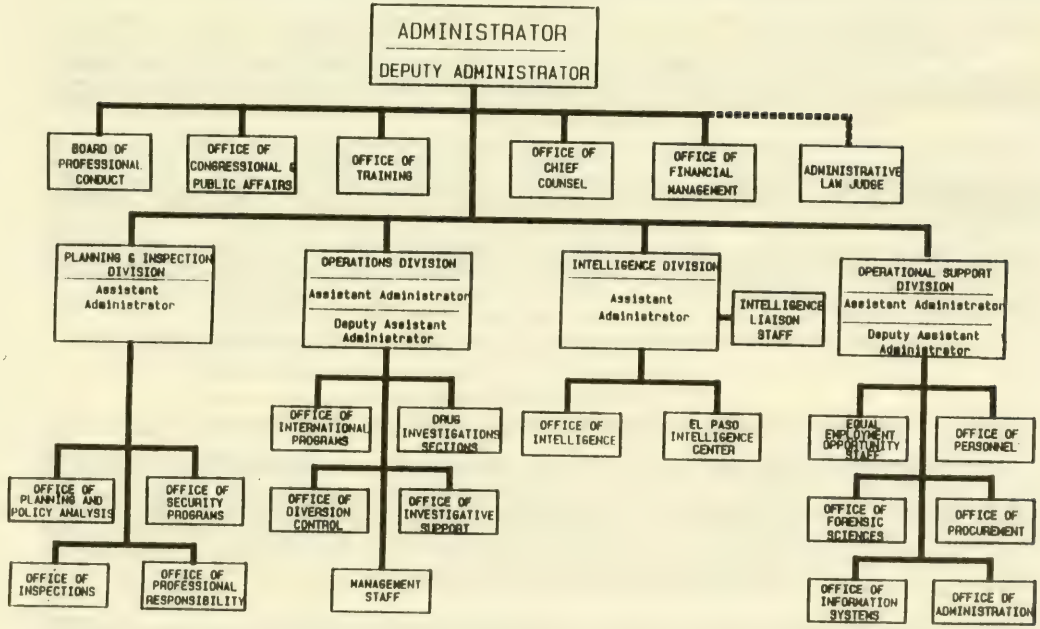
DRUG ENFORCEMENT ADMINISTRATION



Approved WILLIAM P. BARR Date 3/4/92

Drug Enforcement Administration
Summary Statement
Fiscal Year 1995

The Drug Enforcement Administration (DEA) requests 5,315 positions (2,576 Special Agents), 5,388 workyears, and $723,714,000 in Salaries and Expenses in 1995. In the Drug Diversion Control Fee Account, DEA requests 588 positions (12 Special Agents), 584 workyears, and $43,431,000. Finally, in addition to the resources requested in the Salaries and Expenses Appropriation and the Diversion Control Fee Account, DEA is also requesting 1,000 positions (779 Special Agents), 987 FTE, and $95,899,000 in the consolidated budget request for the Organized Crime Drug Enforcement Task Force Program.

DEA's Enforcement Focus: Targeted Kingpin Organizations (TKOs)

DEA's primary mission is to reduce the amount of drugs in the United States by pressuring, disrupting and eventually destroying the operations of the international drug trafficking syndicates that control the bulk of the global drug trade. In order to meet this goal, DEA has developed the Kingpin Strategy, which identifies and targets the top drug trafficking organizations illicitly exporting controlled substances to the United States. DEA has identified 12 Targeted Kingpin Organizations (TKOs), eight cocaine and four heroin, that are collectively responsible for 90 percent of all the cocaine and a large portion of the heroin entering the United States.

The paramount goal of the Kingpin Strategy is to destroy these organizations by targeting their leaders, infrastructure, and resources. These objectives will be accomplished by:

- Disrupting and dismantling domestic distribution cells and their support organizations.
- Denying the essential chemicals needed for drug production;
- Exploiting the vulnerabilities of traffickers' communications networks;
- Attacking the financial infrastructure of trafficking organizations and seizing trafficker assets;
- Exploiting the traffickers' need to transport their product to market, principally via general aviation aircraft and maritime cargo shipments.

The campaign against the TKOs must be waged in an environment of competing national priorities. However, given the critical nature of this campaign, DEA has reprogrammed existing resources to combat the kingpins and reduce the availability of drugs in the United States. As these investigations focus on the topmost leadership of the drug cartels, costly investigative techniques are required to invade the organizational labyrinth fashioned by the kingpins.

Title III wire intercepts are DEA's most effective tool in penetrating the communications networks necessary for the kingpins to conduct business in the United States. DEA's use of Title III wire intercepts has increased by 41 percent since 1990. Increasingly, wire intercepts involve multiple lines and most conversations are in a language other than English. As a consequence, DEA must rely more frequently on linguist support and translation services, greatly increasing the cost of investigations.

Results of the TKO Strategy

In spite of resource constraints, the Kingpin Strategy, through its extensive use of Title III wire intercepts, has already reaped significant dividends. The following cases illustrate how this strategy, and information gleaned from wire intercepts, have been used to disrupt the operations of drug trafficking organizations, and in some cases, bring about the demise of their leadership.

On September 2, 1993, kingpin Jaime GARCIA-Garcia, whose organization is responsible for smuggling multi-kilogram quantities of cocaine into the U.S. from Colombia, was arrested by the Colombia National Police (CNP) after working from leads provided by DEA. The Government of Colombia is actively working with DEA on this case, sharing information that may ultimately lead to the conviction of GARCIA on multiple narcotics trafficking violations.

DEA's extensive use of Title III wire intercepts has also worked to expose, for the first time, the key U.S. distribution networks of international drug kingpins. DEA is currently investigating a suspect who is believed to be one of the top U.S. managers for the Cali Cartel and its associated drug kingpins. This individual is suspected of controlling a significant cocaine distribution system throughout the United States. DEA investigations into this trafficker involve the active participation and coordination of seven of the agency's division offices.

In recent months, DEA has worked to deal severe blows to the Rodriguez-OREJUELA Organization, which claims to control over 60 percent of the world's cocaine supply, most of which is destined for U.S. markets. In 1992, DEA arrested one of the top managers of this drug syndicate. Between 1991 and 1993, DEA investigations have resulted in the direct seizure of over 56 tons of U.S. bound cocaine from this organization.

DEA also provided key information to the Colombian National Police that ultimately led to the recent demise of drug kingpin Pablo ESCOBAR. DEA continues to work actively with the Government of Colombia to dismantle the remainder of ESCOBAR'S organization.

DEA provided nearly all of the evidence tied to the recent seizure of $70 million and subsequent forfeiture of $41 million from European bank accounts belonging to Cali Cartel kingpin Jose SANTA CRUZ-Londono. SANTA CRUZ' money laundering exploits and keen ability to successfully transport drugs from Colombia to the United States have earned him the title "master transporter" among his Cali associates. In an interesting twist, during 1993, DEA also seized and dismantled two SANTA CRUZ cocaine hydrochloride laboratories operating in New York City. Typically, these cocaine processing factories operate out of Colombia. Few have ever been discovered in the United States.

On September 8, 1993, a U.S. Magistrate in the Southern District of Florida issued a sealed arrest warrant for a major trafficker who has worked extensively with the URDINOLA-Grajales organization. The warrant is based on DEA evidence that charges the kingpin with conspiracy and importation charges. The URDINOLA organization is responsible for the importation and transportation of multi-ton quantities of cocaine through South Florida and the Caribbean for distribution in the United States and Europe.

Finally, on the heroin front, international drug kingpin Chang CHI-FU was dealt a serious blow in August 1993, when DEA, in coordination with the Royal Thailand Police, seized 305 kilograms of heroin destined for the United States.

DEA -- Breadth and Scope of Operations

Although a substantial portion of DEA's resources are devoted to the agency's Kingpin Strategy, DEA has a wide range of other programs that provide invaluable support to ongoing drug law enforcement operations, both on the domestic front and within the international arena.

Through its State and Local Task Force Program, DEA works to combine the jurisdictional expertise of state and local law enforcement agencies with the drug investigative expertise of Federal drug enforcement agencies. DEA's State and Local Task Force Program also provides state and local agencies with the ability to make a significant impact on drug trafficking and the related violence in their communities. Through a ten percent investment of DEA's Special Agent resources, the State and Local Task Force Program yields approximately 28 percent of DEA's total arrests and 17 percent of its total asset seizures. DEA currently supports 81 program funded task forces and 22 provisional task forces, which include the active involvement of over 1,500 state and local officers and 588 DEA Special Agents.

DEA is also a major participant in the Organized Crime Drug Enforcement Task Force (OCDETF) Program, the cornerstone of the National Drug Control Strategy. This program provides the personnel and resources necessary to expand multi-agency investigations such as money laundering initiatives. DEA has, over the years, been a major participant in the OCDETF program, taking part in approximately 85 percent of the program's investigations since OCDETF's inception in 1982.

Information and analysis provided by DEA's Intelligence Program have proven to be critical components in the ultimate success of DEA's enforcement operations. In addition to providing analytical support for cocaine, heroin, cannabis, dangerous drugs and financial investigations, DEA's intelligence program also provides a strategic overview of drug trafficking patterns and trends throughout the world community. DEA intelligence

operations also provide support for the agency's EL Paso Intelligence Center (EPIC), a multi-agency, all source, tactical intelligence center which tracks the movement of drugs, weapons and illegal aliens, as well as support for the Department of Justice's new National Drug Intelligence Center (NDIC), recently established in Johnstown, Pennsylvania.

In supporting a worldwide drug reduction effort, DEA's Foreign Cooperative Investigations Program encompasses 72 offices located in 50 countries around the globe. Successes in the war on drugs on the homefront are intimately linked to this nation's efforts to stop drug trafficking and production as close to the source as possible. Through its Foreign Cooperative Investigations Program, DEA works to accomplish this goal by using Special Agent and support personnel overseas to establish diplomatic liaison, collect intelligence, and provide investigative assistance and training to host country officials. Under the auspices of its Foreign Cooperative Investigations Program as well as its Kingpin Strategy, DEA helped to develop Presidential Decision Directive 14 (PDD-14), which is a blueprint for the U.S. Government's international cooperative drug control program.

With a small cadre of demand reduction coordinators located in field offices across the country, DEA's Demand Reduction Program has proven to be a strong force in this nation's efforts to educate its populace about the deadly nature of substance abuse. Through such programs as its Minority and High-Risk Youth Program, its Sports Drug Awareness Program and its Community Coalition-Building Program, DEA works to shield children and young people from the dangers posed by drugs while educating parents about the many challenges their children face in everyday life. DEA's willingness to send its personnel nationwide to aid in the development and coordination of demand reduction activities has earned the agency a degree of respect unparalleled within the law enforcement community.

Finally, as part of the President's National Performance Review, DEA is currently exploring the use of innovative law enforcement technologies, including the development of Automated Booking Stations (ABS). Presently, law enforcement agencies have no effective data base for the collection of fingerprint and "mug shot" information. Through the development of ABS technology, DEA and other law enforcement agencies will be able to electronically fingerprint persons who are arrested. Digital video recordings, rather than standard photographs, will subsequently be used to allow for the digitized storing of photographic data, thereby allowing DEA field offices to share intelligence instantly. With funding support from the Department of Justice, DEA recently completed a highly successful ABS pilot project within three of its field divisions. Further development of this technology, as well as other important technologies, will lead DEA and its law enforcement counterparts into the 21st Century.

Pursuing Counternarcotics Priorities in 1995 and Beyond

DEA's 1995 budget includes program decreases of $10,555,000, including $7,787,000 through administrative cost savings and $2,768,000 through locality pay absorption. These reductions will require DEA to assess ongoing programs and re-prioritize enforcement initiatives, but DEA's essential programs will be maintained. The budget also incorporates a reallocation of base resources (requiring an additional reduction of 93 positions and 93 workyears). DEA is proposing this internal resource reallocation in order to pay for critical operational requirements.

DEA is making a concerted effort to further streamline its workforce, thereby providing for a lean, but highly skilled personnel base to meet the agency's law enforcement requirements into the next century. DEA has initiated several major studies within the past several months, many emphasizing the Administration's goal of increased government effectiveness and efficiency. At the core of these studies is an in-depth review of DEA Headquarters elements to determine those functions which can be consolidated and downsized. As part of the review, DEA is evaluating supervisory to subordinate personnel ratios in Headquarters offices to substantiate the need for deputy, executive assistant, special assistant, and managerial positions.

DEA will target Headquarters offices and oversight functions to the maximum extent possible to achieve position reductions; however, the sheer magnitude of reductions dictates that a significant portion will come from field offices. DEA has also launched a review of domestic field operations to identify position savings to be achieved through office closures and consolidations, suspension of programs, and elimination of staff and managerial positions. In doing so, DEA is reviewing its organization and staffing standards to broaden supervisory spans of control. All of the identified efforts are consistent with guidelines identified in the President's National Performance Review. Through these and other measures, DEA will continue to provide the quality drug law enforcement the nation and its leaders have come to demand.

DRUG ENFORCEMENT ADMINISTRATION
Salaries and Expenses
Justification of Proposed Changes in Appropriation Language

The 1995 budget estimates includes proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and Expenses

For necessary expenses of the Drug Enforcement Administration, including not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; expenses for conducting drug education and training programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs; purchase of not to exceed [1,117] 1,115 passenger motor vehicles of which [1,117 are] for replacement only for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft; [$722,000,000] $723,714,000, of which not to exceed $1,800,000 for research shall remain available until expended, and of which not to exceed $4,000,000 for purchase of evidence and payments for information, not to exceed $4,000,000 for contracting for ADP and telecommunications equipment, and not to exceed $2,000,000 for technical and laboratory equipment, shall remain available until September 30, [1995] 1996, and of which not to exceed [$45,000] $50,000 shall be available for official reception and representation expenses.

(Reorganization Plan No. 2 of 1973; Reorganization Plan No. 1 of 1968; 21 U.S.C. 801-966 as amended; 40 U.S.C. 304; Department of Justice Appropriations and Related Agencies Act, 1994.)

Explanation of Changes

1. The first change reflects the authorization to purchase 1,115 replacement passenger motor vehicles.
2. In addition to funds Country Attaches obtain from the reception and representation fund, DEA country offices spend more than $50,000 annually out-of-pocket for representational purposes. Therefore, DEA requests an increase of $5,000 in its reception and representation fund authorization, which will partially cover these out-of-pocket expenses.

Drug Enforcement Administration
Salaries and expenses
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program:	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Transfers			Adjustment in Workyear Ceiling			Locality Pay Absorption			Reprogramming			1994 Appropriation As Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Enforcement of federal laws and investigations:																					
Domestic enforcement	1,506	1,536	$171,719	...	...	($3,432)	...	...	...	...	...	...	...	...	$95	...	...	$30,789	1,758	1,785	$199,151
SEO and P	517	513	67,298	...	...	...	...	...	...	...	...	...	...	...	...	...	...	(67,298)	...	...	...
Foreign cooperative investigations	310	309	65,133	...	...	(973)	...	...	...	...	...	...	...	...	33	...	...	47,082	575	573	111,275
Drug and chemical diversion control	307	305	20,784	...	...	(117)	...	...	...	...	...	...	...	...	(7)	...	...	1,073	307	305	21,743
State and local task forces	670	666	78,437	...	...	(1,131)	...	...	$11,238	...	...	...	...	...	46	...	...	(4,013)	670	666	84,577
Subtotal	3,310	3,329	403,381			(5,653)			11,238	...	...	...	...	...	167	...	...	7,613	3,310	3,329	416,746
2. Investigative support:																					
Intelligence	649	669	59,554	...	...	(1,136)	...	...	...	...	...	...	...	...	(49)	...	...	3,742	649	669	62,111
Laboratory services	312	310	23,261	...	...	(526)	...	...	...	...	...	...	...	...	(40)	...	...	638	312	310	23,333
Training	124	123	27,940	...	...	(209)	...	...	...	...	...	...	...	...	7	...	...	(2,575)	124	123	25,163
Research, engineering, and technical operations	410	408	86,523	...	...	(693)	...	...	...	...	...	...	...	...	(3)	...	...	(930)	410	408	84,897
ADP	108	107	44,435	...	...	(182)	...	...	...	...	...	...	...	...	(13)	...	...	(4,375)	108	107	39,865
Subtotal	1,603	1,617	241,713	...	...	(2,746)	...	...	...	...	...	...	...	...	(98)	...	...	(3,500)	1,603	1,617	235,369
3. Program direction:																					
Management and administration	736	730	86,545	...	...	(1,240)	...	...	4,000	...	44	...			(89)	...	...	(4,113)	736	774	85,123
Subtotal	736	730	86,545	...	...	(1,240)	...	...	4,000	...	44	...			(89)	...	...	(4,113)	736	774	85,123
Total	5,649	5,676	731,639	...	...	(9,639)	...	...	15,238	...	44	...			...	...	...	...	5,649	5,720	737,238

Reprogramming: During 1993, DEA had a reprogramming and a technical adjustment that have an impact on the 1994 anticipated appropriation. The reprogramming of dollars reflects the permanent effect of the May 13, 1993 reprogramming notification. In the narrative accompanying the notification it was stated that the reprogramming was of a permanent nature and would carry into 1994. In addition, on September 10, 1993, the Congress was notified of a technical adjustment that redistributes the resources from the Special Enforcement Operations and Programs (SEO&P) to the Domestic Enforcement and Foreign Cooperative Investigations programs.

Transfers: DEA received transfers of $11,238,000 from HIDTA and $4,000,000 from the Treasury/Postal Appropriation for construction of EPIC.

Adjustment in Workyear Ceiling: DEA has had an adjustment of 44 workyears associated with the non-ceiling FTE.

Locality Pay: DEA will have to reprogram $181,000 in 1994 to absorb $8,305,000 for locality pay.

Drug Enforcement Administration
Salaries and expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1994 appropriation as enacted	5,649	5,676	$722,000
Transfers:			
HIDTA	...	...	11,238
Special forfeiture fund – EPIC construction	...	...	4,000
1994 adjustment for non-ceiling workyears	...	44	...
1994 appropriation as anticipated	5,649	5,720	737,238
Adjustments in permanent positions and workyears: Transfer to Diversion Control Fee Account	(241)	(239)	...
Internal reallocation of existing resources	(93)	(93)	...
Non-recurring transfers:			
HIDTA	...	...	(11,238)
Special forfeiture fund – EPIC construction	...	...	(4,000)
Transfer from General Services Administration for Mail Management	...	...	118
Mandatory Increases	...	...	21,676
Decreases (automatic, non-policy)	...	...	(9,525)
1995 base	5,315	5,388	734,269

	1994 Appropriation As Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	3,310	3,329	$416,746	3,046	3,067	$414,780	3,046	3,067	$408,786	...	...	($5,994)
2. Investigative support	1,603	1,617	235,369	1,558	1,572	238,336	1,558	1,572	235,041	...	...	(3,295)
3. Program direction	736	774	85,123	711	749	81,153	711	749	79,887	...	...	(1,266)
Total	5,649	5,720	737,238	5,315	5,388	734,269	5,315	5,388	723,714	...	...	(10,555)

Drug Enforcement Administration
Salaries and expenses
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program:	1993 as Enacted			1993 Actual			1994 Appropriation as Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement:																		
Domestic enforcement	1,800	1,846	$192,370	1,807	1,851	$205,588	1,758	1,785	$199,151	1,746	1,773	$205,761	1,746	1,773	$203,264	...	...	($2,497)
SEO and P	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Foreign coop investigations	589	729	109,004	582	734	106,806	575	573	111,275	568	566	112,773	568	566	110,486	...	...	(2,287)
Drug and chemical diversion control	594	579	40,012	594	578	44,411	307	305	21,743	66	66	21,902	66	66	21,792	...	...	(110)
State and local task forces	688	635	72,792	688	634	67,835	670	666	84,577	666	662	74,344	666	662	73,244	...	...	(1,100)
Subtotal	3,671	3,789	414,178	3,671	3,797	424,640	3,310	3,329	416,746	3,046	3,067	414,780	3,046	3,067	408,786	...	...	(5,994)
2. Investigative support:																		
Intelligence	660	635	63,470	660	633	58,140	649	669	62,112	620	640	61,887	620	640	60,880	...	...	(1,007)
Laboratory services	318	297	22,938	318	297	25,908	312	310	23,333	307	305	25,839	307	305	25,453	...	...	(386)
Training	124	130	25,789	124	130	21,178	124	123	26,163	118	117	25,039	118	117	24,682	...	...	(357)
Research, engineering and technical operations	410	411	88,448	410	410	99,008	410	408	84,897	408	406	85,647	408	406	84,609	...	...	(1,038)
ADP	108	112	41,170	108	112	52,684	108	107	39,865	105	104	39,924	105	104	39,417	...	...	(507)
Subtotal	1,620	1,585	241,815	1,620	1,582	254,916	1,603	1,617	235,370	1,558	1,572	238,336	1,558	1,572	235,041	...	...	(3,295)
3. Program Direction:																		
Management and administration	736	774	86,360	736	769	76,174	736	774	85,122	711	749	81,153	711	749	79,867	...	...	(1,286)
Subtotal	736	774	86,360	736	769	76,174	736	774	85,122	711	749	81,153	711	749	79,867	...	...	(1,286)
Total	6,027	6,148	742,353	6,027	6,148	757,730	5,649	5,720	737,238	5,315	5,388	734,269	5,315	5,388	723,714	...	...	(10,555)
Reimbursable workyears		1,092			1,076			1,035			1,035			1,012			(23)	
Total workyears		7,240 *			7,224			6,755			6,423			6,400			(23)	
Other Workyears:																		
Holiday		78			78			78			78			78			0	
Overtime:																		
AUO		756			758			757			756			756			0	
Other		47			47			47			47			47			0	
Total compensable workyears		8,123			8,107			7,637			7,304			7,281			(23)	

* The non-ceiling workyears were inadvertently left out of the 1995 President's budget request.

Drug Enforcement Administration
Reimbursable Resources
Summary of Requirements
(Dollars in thousands)

Financing:	1993 Actual			1994 Estimate			1995 Request			Increase/Decrease		
Collection by Source:	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Organized Crime Drug Enforcement	1,077	1,007	$97,126	997	984	$96,907	975	962	$93,704	(22)	(22)	($3,203)
Regional Drug Intelligence Squads	26	26	2,222	26	26	2,245	25	25	2,195	(1)	(1)	(50)
Assets Forfeiture Fund	...	...	56,158	...	...	55,000	...	...	65,700	...	...	10,700
Department of Treasury	...	...	385	...	...	253	...	...	300	...	...	47
Office of National Drug Control Policy	...	...	...	...	...	988	...	...	1,000	...	...	12
Department of State	30	23	1,089	30	23	2,768	30	23	3,000	...	...	232
Department of Justice	...	2	7,747	...	2	12,910	...	2	4,810	...	...	(8,100)
National Drug Intelligence Center	...	17	1,637	...	...	1,477	...	...	1,500	...	...	23
Department of Defense	...	...	11,046	...	...	12,081	...	...	12,000	...	...	(81)
Diversion Control Fee Account	...	...	12,000	...	...	...	...	...	...	...	...	...
Misc. Government	...	...	97	...	...	98	...	...	100	...	...	2
Misc. Non-Government	...	...	55	...	...	2,283	...	...	2,701	...	...	418
Total	1,133	1,075	189,562	1,053	1,035	187,010	1,030	1,012	187,010	(23)	(23)	...
Obligations by Program:												
Enforcement	1,107	1,030	128,555	1,027	1,007	126,825	1,005	985	126,825	(22)	(22)	...
Investigative Support	26	43	30,236	26	26	29,829	25	25	29,829	(1)	(1)	...
Program Direction	...	2	30,770	...	2	30,356	...	2	30,356	...	...	...
Total	1,133	1,075	189,562	1,053	1,035	187,010	1,030	1,012	187,010	(23)	(23)	...

Drug Enforcement Administration
Salaries and Expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

ACTIVITY: ENFORCEMENT

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic Enforcement*.....	1,758	1,785	$199,151	1,746	1,773	$205,761	1,746	1,773	$203,264	...	...	($2,497)
Foreign Cooperative Investigations*.....	575	573	$111,275	568	566	$112,773	568	566	$110,486	...	...	($2,287)
Drug and Chemical Diversion Control.....	307	305	$21,743	66	66	$21,902	66	66	$21,792	...	...	($110)
State and Local Task Forces....	670	666	$84,577	666	662	$74,344	666	662	$73,244	...	...	($1,100)
Total:	3,310	3,329	$416,746	3,046	3,067	$414,780	3,046	3,067	$408,786	...	...	($5,994)

* Includes a portion of the former Special Enforcement Operations/Programs (SEO/P) decision unit.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic Enforcement*.....	1,758	1,785	$199,151	1,746	1,773	$205,761	1,746	1,773	$203,264	...	...	($2,497)

* Includes a portion of the former Special Enforcement Operations/Programs (SEO/P) decision unit.

LONG RANGE GOAL: Reduce the domestic supply of illicit drugs and permanently disrupt or eliminate the organizations trafficking these drugs.

MAJOR OBJECTIVES:

- Investigate, arrest, and contribute to the successful prosecution of major drug violators throughout the United States.
- Develop tailored initiatives to address the most significant drug trafficking problems and organizations.
- Implement actions against identified problems/organizations to disrupt or immobilize drug production, trafficking, and financial operations.
- Identify and seize drug evidence and non-drug assets used in, or derived from, the proceeds of the drug trafficking activities of individuals and organizations involved in the illegal drug trade.
- Reduce domestic production and cultivation of illicit drugs.
- Assist Federal, state, and local law enforcement agencies involved in the fight against illegal drug production, cultivation, and trafficking.

BASE PROGRAM DESCRIPTION: The Domestic Enforcement Program includes the enforcement operations of DEA's 19 field divisions and the DEA Headquarters program coordinators. The program also uses a variety of investigative tools, including electronic surveillance, informants, and undercover operations. Domestic enforcement investigations involve obtaining and using information from intelligence sources and receiving referrals from other Federal, state, and local law enforcement organizations. The program's financial investigations (which involve DEA's Asset Removal Teams) identify and trace assets subject to seizure and forfeiture and lead to the destruction of the economic bases of drug trafficking enterprises.

As a result of the recent merging of the Special Enforcement Operations/Programs (SEO/P) decision unit into the Domestic Enforcement and Foreign Cooperative Investigations decision units, the Domestic Enforcement Program now encompasses all Targeted Kingpin Organization (TKO) investigations and

all domestic SEO/P investigations. TKO investigations, DEA's highest priority, focus on a specific head of a drug trafficking organization, or part of a consortium in a source country, who is responsible for directing all phases of unlawful production, transportation, and wholesale distribution of bulk quantities of illegal drugs and/or directing the financial operations from illegal drug trafficking. The term "kingpin" is often used interchangeably to refer to either the individual or the organization. SEO investigations target drug trafficking organizations, which may not qualify as kingpin organizations, but are still significant in illegal drug trafficking. SEP investigations typically target problems posed by drug trafficking, such as the transportation of illegal drugs on U.S. interstates and highways or the use of indoor and underground facilities to grow marijuana. Current active operations include: 12 TKOs, three SEOs, and 17 SEPs.

ACCOMPLISHMENTS AND WORKLOAD:

Domestic Enforcement

	1992* Actual	1993* Actual	1994** Estimate	1995 Estimate
Investigative Workhours by Case Class				
Class I	1,349,335	1,182,281	1,299,549	1,299,549
Class II	538,036	422,842	464,783	464,783
Class III	399,973	359,666	395,340	395,340
Class IV	59,316	47,308	52,000	52,000
General File	592,050	528,543	580,968	580,968
TOTAL	2,938,710	2,540,640	2,792,640	2,792,640
Arrests by Case Class				
Class I	3,071	2,246	2,469	2,469
Class II	2,340	1,690	1,858	1,858
Class III	2,135	1,662	1,826	1,826
Class IV	502	435	478	478
Subtotal	8,048	6,033	6,631	6,631
Fed. Referral Arrests	1,183	1,111	1,221	1,221
DEA Coop. Arrests	3,690	3,272	3,597	3,597
TOTAL	12,921	10,416	11,449	11,449
Convictions:				
Federal Court	7,003	7,277	7,999	7,999
State Court	2,501	2,566	2,218	2,218
Unknown	18	36	[illegible]	[illegible]
TOTAL	9,522	9,879	10,217	10,217
Drugs Removed:				
Heroin (kilo)	598	416	457	457
Cocaine (kilo)	38,327	36,069	39,647	39,647
Cannabis (kilo)	164,679	112,288	123,426	123,426
Dang. Drugs (000 D.U.)	23,277	41,031	45,101	45,101
Clan. Lab Seizures	335	268	387	387
Asset Seizures (000)	$351,260	$296,835	$326,277	$326,277

* Actual workload statistics may differ from those printed in the 1994 Congressional Submission. DEA continues to correct actual workload statistics throughout the following year as case information develops.

** The 1994 workload statistics factor in the merging of the SEO/P decision unit into the Domestic Enforcement decision unit.

Organized Crime Drug Enforcement (OCDE) Task Forces

	1992* Actual	1993* Actual	1994 Estimate	1995 Estimate
Investigative Workhours	1,672,972	1,810,816	1,753,216	1,698,816
DEA/OCDE Arrests	5,016	4,274	4,138	4,010
DEA/OCDE Convictions	3,185	3,746	3,627	3,514
Drugs Removed:				
Heroin (Kg.)	21	62	60	58
Cocaine (Kg.)	25,781	17,960	17,389	16,849
Cannabis (Kg.)	7,110	8,117	7,859	7,615
Dangerous Drugs (Dosage Units)	5,314	4,731	4,581	4,438
Assets Removed (000)	$398,622	$253,721	$245,650	$238,028

* **Actual workload statistics may differ from those printed in the 1994 Congressional Submission. DEA continues to correct actual workload statistics throughout the following year as case information develops.**

DEA's attack on the TKOs has produced significant results. Previously, the Kingpins were virtually immune from prosecution because they were so well insulated from their subordinates' activities. However, with the recently concentrated attack on the kingpins and their organizations, they are feeling, for the first time, direct pressure from law enforcement. This has become most evident in the drastic change of methods used by the TKOs and, more importantly, by the fact that many of the Colombian kingpins and their associates are being arrested or are beginning to negotiate for their surrender to the Government of Colombia. The goal of the Kingpin Strategy is to bring down, not just the kingpin, but his entire organization. To this end, DEA and its foreign counterparts are experiencing great success.

- On September 2, 1993, kingpin Jaime GARCIA-Garcia was located and arrested by the Colombian National Police while conducting raids based on information provided by DEA. GARCIA, who was a close associate of the former Medellin drug lord Juan Ramon MATTA-Ballesteros (now serving a life sentence in the United States) is responsible for smuggling multi-kilogram quantities of cocaine into the United States from Colombia via Mexico. He has transported cocaine for both the Cali and Medellin cartels. The Government of Colombia is now working with DEA in sharing information that will lead to charges and conviction of GARCIA on narcotics violations.

- The RODRIGUEZ-Orejuela Organization, which claims to control 60 percent of the world's cocaine supply, has been dealt severe blows lately. One of their top managers in Miami was arrested by DEA in 1992. Also, DEA investigations have resulted in the seizure of 56 tons of cocaine from this organization between 1991 and 1993.

- DEA provided virtually all the evidence leading to the recent seizure of $70 million and subsequent forfeiture of $41 million from European bank accounts belonging to Jose SANTA CRUZ-Londono. In 1993, DEA located and seized two cocaine HCL labs in New York that were connected to SANTA CRUZ.

- Although the kingpin OCHOA brothers are incarcerated in Colombia, they could be released within the next 24 months. DEA continues to work with the Government of Colombia to dismantle the remainder of their organization.

- DEA provided key information to the Colombian National Police (CNP) that led them to kingpin Pablo ESCOBAR. Although ESCOBAR is no longer a factor in drug trafficking, DEA and the CNP will continue to closely watch and pressure the remnants of his organization.

- On September 8, 1993, a U.S. Magistrate in the Southern District of Florida issued a sealed arrest warrant for a major trafficker who has worked extensively with the URDINOLA-Grajales organization. The warrant is based on DEA evidence that charges the trafficker with conspiracy and importation charges. The URDINOLA organization is responsible for the importation and transportation of multi-ton quantities of cocaine through Southern Florida and the Caribbean for distribution in the United States and Europe. This organization is also viewed as a potential heroin threat.

- DEA is currently investigating a suspect who is believed to be one of the top U.S. managers for the Cali Cartel and its kingpins. This person is suspected of controlling a significant cocaine distribution system throughout the United States. DEA's investigation into this trafficker involves the active coordination of seven DEA divisions.

- Heroin kingpin Cheng CHI-FU was dealt a devastating blow on August 3 and 4, 1993 when DEA assisted the Royal Thailand Police in the seizure of 305 kilograms of heroin. This substantial amount of heroin, which was most likely destined to the United States, was tied to the Sha United Army and eventually to the kingpin CHI-FU.

Much of DEA's success against the TKOs is attributed to its ability to penetrate the TKO's communications through intensive Title III wire intercepts. As a result of the Title III intercept program, DEA is obtaining for the first time an in-depth view and detailed understanding of how the TKOs are organized and how they operate. The intercepts not only reveal when and where drug shipments will take place, but they also reveal key members of the organization and where the drug proceeds are being laundered. DEA's increased focus on the kingpins and Title III intercepts has produced invaluable information that is leading to world-wide enforcement actions against the TKOs.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic Enforcement*.....	1,758	1,785	$199,151	1,746	1,773	$205,761	1,746	1,773	$203,264	...	...	($2,497)

* Includes a portion of the former Special Enforcement Operations/Programs (SEO/P) decision unit.

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	1,746	1,773	$205,761
LOCALITY PAY ABSORPTION	...	...	(927)
ADMINISTRATIVE REDUCTIONS	...	...	(1,570)
TOTAL:	1,746	1,773	$203,264

Locality Pay Absorption:

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Domestic Enforcement decision unit, a total of $927,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

The Domestic Enforcement Program will also absorb an administrative reduction of $1,570,000. Although this is a small reduction for this decision unit, it will bring the 1995 level below the base requirement for travel and other investigative expenses. Therefore, DEA will reduce the operating funds to headquarters elements that oversee field enforcement operations, as well as to its domestic field divisions. This level of funding will be sufficient to maintain DEA's most critical operations.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Foreign Cooperative Investigations*.....	575	573	$111,275	568	566	$112,773	568	566	$110,486	...	...	($2,287)

* Includes a portion of the former Special Enforcement Operations/Programs (SEO/P) decision unit.

LONG RANGE GOAL: To destroy drug trafficking organizations by cooperating with and assisting those nations that demonstrate the political will to fight international narcotics syndicates, thereby reducing the amount of illicit drugs available in the United States.

MAJOR OBJECTIVES:

- Prevent illicit drugs, destined for the United States, from entering international trafficking channels thereby reducing the supply of drugs entering the United States.
- Implement tailored initiatives against targeted trafficking organizations in order to disrupt or incapacitate the drug production, trafficking, and financial operations of these organizations.
- Disrupt drug trafficking as close to the source as possible with the long term goal of reducing the amount of illicit drugs cultivated, processed, and consumed worldwide.
- Conduct international drug investigations in coordination with the law enforcement agencies of host countries.
- Assist host country governments in developing effective drug law enforcement institutions through improved drug law enforcement legislation, personnel training, and improved police management techniques and practices.

BASE PROGRAM DESCRIPTION: DEA's overseas efforts are directed toward advising, assisting, and encouraging host country governments in the development of the law enforcement infrastructure required to reduce the supply of drugs at or near their production sources. DEA also aims to foster cooperation among the law enforcement institutions of these countries so that they may successfully participate in investigations targeted at the leadership of international trafficking organizations. DEA's efforts include the coordination of drug intelligence collection and drug investigations (including chemical diversion and drug money laundering activities) with foreign law enforcement agencies as well as participation in bilateral and multilateral drug suppression programs. The Foreign Cooperative Investigations Program (FCIP) now includes resources provided for foreign Special Enforcement Operations/Programs (SEO/P), including Operation Snowcap. These resources were previously contained in a separate SEO/P decision unit.

ACCOMPLISHMENTS AND WORKLOAD:

Foreign Cooperative Investigations*	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Workhours				
Investigative	201,178	200,000	195,000	195,000
General File	158,861	158,000	155,000	155,000
Intelligence	6,190	6,150	6,140	6,140
Liaison	32,203	32,000	31,880	31,880
Total Workhours	398,432	396,150	388,020	388,020

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Cooperative Arrests by Drug Type				
Heroin	538	332	332	332
Cocaine	1,313	997	997	997
Cannabis	126	154	154	154
Dangerous Drugs	111	27	27	27
Total Arrests	2,088	1,510	1,510	1,510
Cooperative Drug Removals				
Heroin (Kg.)	3,226	1,354	1,354	1,354
Cocaine (Kg.)	1,351	645	645	645
Cannabis (Kg.)	118,276	81,787	81,787	81,787
Dangerous Drugs (000 D.U.)	82,682	153,200	153,200	153,200

* DEA's statistical data bases are continually revised. Figures shown represent the most accurate statistics available and may differ from those previously reported.

Further Evidence of Increased Cooperation:

Worldwide acceptance of the international nature and the significant threat posed by narcotics production and trafficking has generated an unprecedented increase in international cooperation in the global war against drugs. DEA continues to play an instrumental role in these efforts. Examples include:

1. DEA's multinational coordinated drug suppression efforts resulted in the following significant seizures in fiscal year 1993:

   - In an effort to respond to changes in trafficking patterns and diminishing resources, during late 1993, the DEA Lima Country Office and Peruvian authorities shifted counterdrug operations to the concept of mobile basing, operating from several bases located in cocaine transshipment areas. Joint operations conducted with Peruvian counterparts were intelligence-driven and aimed at the major Peruvian cocaine trafficking organizations supplying the Colombian Kingpins. These operations resulted in the seizure of approximately 8,900 kilograms of cocaine.

   - Operation Bahamas and Turks/Caicos Islands (OPBAT) seized 4.7 metric tons of cocaine.

   - In 1993, DEA's Ankara Country Office and Istanbul Resident Office supported a wire intercept program targeting the movement of large amounts of heroin, morphine base, and hashish in Turkey. As a direct result of this enforcement operation, approximately 6,000 kilograms of morphine base, 3,300 kilograms of heroin, and 20,000 kilograms of hashish have been seized by Turkish authorities. This program has identified several high level drug traffickers, some of whom have connections in the U.S.

2. The Targeted Kingpin Organization (TKO) Strategy is based upon international cooperation and coordinated law enforcement actions against the drug cartels. This cooperation has reached unprecedented levels in 1993 and 1994.

   - The top Peruvian linear target, previously indicted in Peru as a result of a joint investigation with the Lima Country Office, was located and arrested in Colombia on January 12, 1994, and subsequently expelled to Peru. He is presently incarcerated and awaiting trial.

   - In El Salvador, the initiation of a joint DEA/Unidad Ejecutiva Antinarcotrafico (UEA) investigation into the activities of a significant Mexican cocaine transportation organization in El Salvador (headed by Joaquin GUZMAN-Loera and Luis Hector PALMA) resulted, on June 9, 1993, in the largest interagency coordinated cocaine seizure on record in Central America (5,900 kilograms). The investigation also led to the arrest of GUZMAN for his suspected involvement in the murder of Mexican Cardinal Juan Posadas, and two other significant traffickers.

- In February 1993, the Thai Police, in cooperation with the Bangkok Country Office and the Kuala Lumpur Country Office, expelled the Shan United Army's LIN Chien-Pang to the United States. Lin is the subject of an indictment in New York and is the highest ranking member of the Shan United Army ever to be arrested.

3. DEA has shown significant initiative in the development of institution building among foreign counterparts.

- During 1993, the La Paz Country Office, in conjunction with the U.S. Embassy country team and Bolivian authorities, created a Bolivian Joint Narcotics Intelligence Fusion Center for the purpose of managing, analyzing, and disseminating all-source Bolivian drug intelligence. One of the major joint operations conducted under this initiative resulted in the dismantling of four separate major Bolivian trafficking organizations which supplied cocaine products to Colombian kingpin organizations. One of these organizations had previously transported 2.1 tons of cocaine HCL seized in southern Brazil in July 1993.

- In cooperation with DEA, Russian authorities were successful in conducting a controlled delivery of five kilograms of opium from Moscow to Los Angeles, which resulted in the arrest of two defendants. Three Russian officials traveled to Los Angeles to provide testimony and both defendants were subsequently convicted and sentenced. This marked a first controlled delivery between Russia and the United States.

- The Governments of Belgium, France, Germany, Holland, Italy, Luxembourg, Spain, Switzerland and the United Kingdom are actively cooperating with DEA on twenty seven large scale money laundering investigations. These investigations involve a large number of high-level drug traffickers and multi-millions of dollars which impact on the United States. As a result of the investigations, cooperating governments have frozen over $100 million in cartel money.

4. Additional significant seizures through the coordination and cooperation of DEA's international counterparts include:

- In August 1993, as a result of a joint investigation between the Bangkok Country Office and the Thai Narcotics Suppression Bureau (NSB), two Thai suspects were arrested and 200 kilograms of heroin were seized at the Shan United Army village in Mae Sai, Thailand. Follow-up investigations within four days netted an additional 150 kilograms of heroin.

- The April 22, 1993, seizure of 7,294 kilograms of cocaine by the Mexican Federal Judicial Police (MFJP). The cocaine was packaged in cans of jalapeno peppers.

- The June 16, 1993, seizure of 818 kilograms of cocaine by the Guatemalan Guardia de Hacienda. This bi-lateral investigation linked numerous seizures in New York, Honduras and Guatemala to a Cali, Colombia-based organization headed by Alfredo GOMEZ-Pinedo.

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PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Foreign Cooperative Investigations*	575	573	$111,275	568	566	$112,773	568	566	$110,486	...	...	($2,287)

* Includes a portion of the former Special Enforcement Operations/Programs (SEO/P) decision unit.

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	568	566	$112,773
ADMINISTRATIVE REDUCTIONS	...	...	(2,007)
LOCALITY PAY ABSORPTION	...	...	(280)
TOTAL:	568	566	$110,486

Locality Pay Absorption:

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Foreign Cooperative Investigations decision unit, a total of $280,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

DEA will reduce the Foreign Cooperative Investigations Program by $2,007,000 in administrative cost savings. In 1995, these savings will be achieved through a streamlining of agency operations and through reductions in targeted areas (such as travel).

DEA will continue to evaluate the effectiveness of foreign operations and will shift personnel as necessary to develop critical intelligence related to priority investigations and the Targeted Kingpin Organizations (TKO), as well as to provide support for Presidential Decision Directive 14.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug and Chemical Diversion Control*	307	305	$21,743	66	66	$21,902	66	66	$21,792	...	...	($110)

* Due to limitations within the Budget Enforcement Act of 1990, DEA's Drug and Chemical Diversion Control Decision Unit in the Salaries and Expenses (S&E) budget includes $15,000,000 (which is registration fee related) for costs associated with drug diversion control. In addition, this decision unit includes 66 positions (8 special agents), 66 workyears, and associated resources to fund the Chemical Control Program. While international activities are part of drug and chemical diversion control operations, the positions assigned to overseas posts are not part of this decision unit nor are they part of the Diversion Control Fee Account (DCFA).

To ease the budget execution and tracking of positions associated with the drug diversion control activities (funded in both the S&E and the DCFA), DEA has adjusted its budget, transferring 241 positions, 239 workyears, and associated personnel compensation resources from DEA's S&E budget to the DCFA budget and a transfer of non-personnel compensation resources from the DCFA to this decision unit. As a result, all positions and workyears related to the drug diversion control activities will be part of the DCFA.

LONG RANGE GOAL: Prevent legitimately produced controlled substances from being diverted into illicit channels.

MAJOR OBJECTIVES:

- Conduct investigations of suspect practitioners and evaluate qualifications of registrants.
- Enforce the provisions of the Controlled Substances Act (CSA), the Chemical Diversion and Trafficking Act, and the Anabolic Steroid Control Act (ASCA), through criminal and regulatory investigations as well as civil actions. Identify and neutralize clandestine laboratories which produce controlled substances in the United States.
- Assist foreign countries in preventing international chemical diversion. Provide chemical diversion expertise and intelligence in eight strategic countries. In cooperation with foreign governments, identify and investigate organizations (domestic and foreign) involved in smuggling chemicals into the United States for illicit sale.
- Assess the ability of the states to control drug and chemical diversion and assist them in their drug and chemical diversion control efforts.

- Identify all new substances which are being abused or have abuse potential, determine their placement in the appropriate Controlled Substances Act schedule, and establish manufacturing quotas.

- Respond in a timely fashion to all requests concerning drug diversion control issues and import/export data.

- Register all legal handlers of controlled substances.

- Continually monitor the closed system of distribution of licitly manufactured controlled substances.

BASE PROGRAM DESCRIPTION:

- In accordance with United States law and international treaty obligations advises DEA management on all matters pertaining to the formulation, direction, and coordination of worldwide programs associated with the diversion of legally produced controlled substances and listed chemicals.

- Directs DEA's worldwide drug and chemical diversion control activities to include diversion investigations, domestic and international diversion control, registration, voluntary compliance, state assistance, industry liaison, and associated support programs.

- Formulates detailed diversion control input for the work plans and priority objectives of appropriate domestic and foreign offices.

- Reviews the effectiveness of DEA worldwide and individual field office drug and chemical diversion control activities to ensure that these activities are responsive to the drug and chemical diversion control mission of DEA and the requirements of the law.

- Represents DEA at national and international conventions and meetings concerned with control of legitimate drugs, precursors and essential chemicals, and diplomatic initiatives designed to ensure appropriate drug and chemical diversion controls.

- Formulates additional legislation and regulations to curtail the diversion of controlled substances and listed chemicals from legitimate channels.

- Criminal Diversion Investigations: An estimated 12,000 practitioners are involved in activities that violate the CSA and the ASCA. DEA identifies the highest level violators responsible for large scale diversion and conducts high quality, timely criminal investigations of their diversion activities. As the need arises, DEA develops special enforcement operations/programs (SEO/Ps) under its priority targeting system aimed specifically at highly abused controlled substances and/or major trafficking organizations for intensive investigative efforts.

- Public Interest Revocation Investigations: DEA may deny any application for registration or immediately revoke or suspend a registration if it is determined that it would be inconsistent with the public interest.

- CSA Mandated Cyclic Investigations: Cyclic investigations ensure that diversion does not occur at the manufacturer, distributor or wholesale levels of the distribution chain.

- Pre-registrant Investigations: Pre-registrant investigations ensure that only qualified individuals or companies are authorized to acquire or dispense controlled substances.

- State and Local Assistance: DEA assesses state programs aimed at suppressing the diversion of controlled substances from scientific, medical research and legitimate distribution channels. In addition, the State Assistance Program provides expertise, leadership, and guidance to the states consistent with national objectives.

- Chemical Act: DEA receives and determines the legitimacy of all import/export declarations of listed chemicals, including foreign firms importing chemicals from U.S. firms. DEA has the authority to stop suspect chemical shipments, to reject applications by chemical companies for "regular customer" status, and to follow up clandestine laboratory seizures to determine chemical supplier culpability, if any, in the diversion of listed chemicals. In addition, DEA is required to audit all U.S. chemical companies every three years.

ACCOMPLISHMENTS AND WORKLOAD:

Chemical Control Program: Since passage of the Chemical Diversion and Trafficking Act (CDTA) in 1988, DEA has investigated 2,000 foreign chemical companies to affirm the legitimacy of their operations. Approximately 70 firms were suspected of diverting chemicals and have been denied access to U.S. chemical exports. In 1993, DEA conducted more than 338 investigations of foreign chemical companies.

In response to the increasing abuse of LSD, Operation LOOKING GLASS was initiated in February 1991. This Special Enforcement Program (SEP) is targeting LSD manufacturing and distribution organizations. The primary precursor of LSD, Ergotamine Tartrate (ET), is not manufactured in the United States. The United States, however, has become the primary supplier of LSD to the world through smuggling activities. ET is difficult to control because of the small amount necessary to make LSD--one kilogram of ET makes approximately 1.5 million dosage units. LSD seizures, related arrests, and asset seizures have increased dramatically over the past four years. Arrests have tripled since 1990 and there is no indication that this trend will reverse itself in the immediate future.

In 1993, three chemical exports were suspended: two by administrative order and the other was voluntarily withdrawn by the chemical exporters after receiving notification by DEA of an intent to suspend.

Domestic clandestine laboratory seizures (most of which produce methamphetamine) were on the rise between 1985 (425 seizures) and 1989 (807 seizures). With the enforcement of the CDTA provisions, this trend has declined significantly. In spite of this success, intense enforcement is warranted in California and the Southwest, areas with a high incidence of clandestine laboratories.

In early 1991, New York City witnessed a rash of overdose deaths attributed to heroin, but later analyzed as fentanyl. Marketed under the street names of "Tango and Cash" and "Good Fellas," there were 53 confirmed fentanyl overdose deaths in 1991, primarily in the northeast. In 1992, there were 73 confirmed fentanyl deaths, primarily in the Philadelphia and Baltimore areas. In 1993, there were seven confirmed fentanyl deaths. In late 1992, DEA Special Agents initiated a major investigation, identifying the organization responsible for 126 known fentanyl overdose deaths on the East Coast. In February 1993, DEA arrested three traffickers in Wichita, Kansas leading to the seizure of 17 kilos of heroin, one clandestine laboratory and two residences. Initial analysis indicated the substance as fentanyl mixed with heroin. The fentanyl seized and purchased in this investigation has been analyzed and it is consistent with the "Tango and Cash" and "Good Fellas" in all chemical aspects.

International Chemical Initiatives: In September 1991, DEA sponsored a conference in Lyon, France for regulatory, customs, and law enforcement officials representing chemical source, transit, and drug producing countries. The goals and accomplishments of the conference were to: 1) create a standard system by which governments involved in the import/export of chemicals can make decisions on specific shipments; 2) determine the type of data to be collected and/or saved and the means of communication and coordination; and 3) establish a framework which will permit gradual expansion to include additional countries, as appropriate. All goals have been accomplished and through the efforts of DEA an international data base is being established at the International Narcotics Control Board (INCB). In June 1993, DEA sponsored a follow-up conference in Rome to report on the status of initiatives developed at the Lyon conference.

In 1993, DEA sponsored chemical training seminars in Africa, Chile, The Hague, and the Netherlands. In conjunction with the Organization of American States, seminars will be conducted in Trinidad, La Paz, and Honduras. With the cooperation of the Department of State, a team consisting of two diversion investigators was sent to assist the Government of Ecuador in development of a drug and chemical control program.

Diversion Control (excluding Chemical Control) Fee Account: In 1994, DEA will submit a one-time technical reprogramming of 287 positions, 285 workyears, and $23,756,000 from this decision unit to the Diversion Control Fee Account budget for diversion control operations. In 1995, a permanent technical adjustment of these positions and dollars will be transferred to the Diversion Control Fee Account.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug and Chemical Diversion Control*.....	307	305	$21,743	66	66	$21,902	66	66	$21,792	...	...	($110)

* Due to limitations within the Budget Enforcement Act of 1990, DEA's Salaries and Expenses budget includes $15,000,000 (which is registration fee related) for costs associated with drug diversion control activities. In addition, this decision unit includes 66 positions (8 special agents), 66 workyears, and associated resources to fund the Chemical Control Program. While international activities are part of drug and chemical diversion control efforts, the positions assigned to overseas posts are not part of this decision unit nor are they part of the Diversion Control Fee Account (DCFA).

To ease the budget execution and tracking of positions associated with the DCFA, DEA has adjusted its budget, transferring 241 positions, 239 workyears, and associated personnel compensation resources from DEA's direct appropriation to the DCFA Budget and a transfer of non-personnel compensation resources from the DCFA to this decision unit. As a result, all positions and workyears related to diversion control activities will be part of the DCFA.

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	66	66	$21,902
LOCALITY PAY ABSORPTION	...	...	(35)
ADMINISTRATIVE REDUCTIONS	...	...	(75)
TOTAL:	66	66	$21,792

Resources for drug and chemical diversion control activities include $15,000,000 for costs associated with the Diversion Control Fee Account Budget and 66 positions, (including six diversion investigators with duty stations outside the U.S.), 66 workyears, and $6,799,000 for the Chemical Control Program in 1995. To ease the budget execution and tracking of positions associated with the Diversion Control Fee Account Budget, DEA has made a technical adjustment transferring 241 positions, 239 workyears, and personnel compensation costs from DEA's direct appropriation to the Diversion Control Fee Account Budget. There is also a transfer of non-personnel compensation costs from the DCFA to the Drug and Chemical Diversion Control Decision Unit.

In accordance with the 1993 Appropriation (Public Law 102-395), on December 18, 1992, DEA published a Notice of Proposed Rulemaking to adjust the current application fee schedule for DEA registrants to recover the costs associated with operating the Diversion Control Program. During this process, DEA was challenged by the American Medical Association, the National Association of Retail Druggists, the National Wholesale Druggists Association, and the Pharmaceutical Manufacturers Association, who objected to the proposed rule to increase registration fees on the basis that it imposed an unconstitutional tax on DEA registrants to support activities not related to their registrations (i.e. Chemical Control Program). Upon further consideration, the cost of the Chemical Control Program was determined not related to the registrant population and was transferred back into DEA's Salaries and Expenses Budget.

Locality Pay Absorption:

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Diversion Control decision unit (Chemical Control Program), a total of $35,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

The administrative reduction of $75,000 will be taken in supplies, travel, and contract services associated with the Chemical Control Program. Travel to various chemical companies is necessary to determine the legitimacy of all import/export declarations of listed chemicals, including foreign firms importing U.S. chemicals. DEA is required by the CDTA to audit all U.S. chemical companies every three years. These reductions may affect the ability of DEA to maintain a three-year audit cycle.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Task Forces....	670	666	$84,577	666	662	$74,344	666	662	$73,244	...	...	($1,100)

LONG RANGE GOAL: Ensure a maximum contribution from state and local governments and engender intergovernmental cooperation in order to reduce drug availability and immobilize major drug trafficking organizations at all levels.

MAJOR OBJECTIVES:

- Conduct quality investigations leading to the arrest, prosecution, and conviction of drug traffickers, as well as the financial immobilization of their organizations.
- Establish and maintain an effective intelligence exchange with participating state and local law enforcement agencies in order to enhance and expand the Federal drug law enforcement intelligence network.
- Develop intelligence and investigations that become a springboard for more complex Federal investigations, launched as a result of the initial efforts of a task force.

BASE PROGRAM DESCRIPTION: The State and Local Task Force Program effectively enlists the resources and support of state and local enforcement agencies in Federal drug enforcement efforts. The task force program assists in fulfilling DEA's responsibility to provide a diverse, creative, and all-encompassing Federal response to the multi-faceted and complex drug problem. By working together, DEA Special Agents and state and local police officers achieve increased cooperation and communication that aids the investigative process at the working level, making DEA's cases more productive. The program expands the work force under DEA's supervision; provides state and local officers with special equipment and conveyances when needed for DEA undercover operations; contributes substantial intelligence to DEA's data bases; and achieves enhanced cooperation with local banks, thus improving DEA's ability to obtain emergency flashrolls and temporary storage of funds.

ACCOMPLISHMENTS AND WORKLOAD:

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Investigative Workhours by Case Class				
Class I	259,379	251,783	232,905	221,579
Class II	131,817	149,098	137,919	131,212
Class III	122,267	116,874	108,111	102,854
Class IV	13,182	17,618	16,297	15,505
Subtotal	526,645	535,373	495,232	471,150
General File Workhours	62,961	64,824	59,964	57,048
Total	589,606	600,197	555,196	528,198

Arrests by Case Class				
Class I	1,484	1,316	1,217	1,158
Class II	1,644	1,411	1,305	1,242
Class III	2,251	1,737	1,607	1,529
Class IV	1,215	858	794	755
Total	6,594	5,322	4,923	4,684
Convictions				
Federal Court	2,586	2,609	2,413	2,296
State Court	2,136	1,921	1,777	1,691
Drugs Removed				
Heroin (kg.)	77	82	76	72
Cocaine (kg.)	14,102	5,200	4,810	4,576
Cannabis (kg.)	32,392	21,635	20,013	19,040
Dangerous Drugs (000 D.U.)	20,526	36,810	34,050	32,394
Asset Seizures ($000)	129,177	118,347	109,474	104,150

In 1993, more than 14 percent of DEA's Special Agents were assigned to the State and Local Task Force Program. Almost half of all investigative workhours were expended on Class I violators. There was a significant increase in dangerous drug removals--an increase of 44 percent over 1992. Approximately 15 percent of DEA's cannabis seizures and 16 percent of all dangerous drug seizures were made through the State and Local Task Force Program. Until 1993, the State and Local Task Force Program had consistently increased its statistical accomplishments in primary arrests, total arrests, and asset seizures.

Productivity of the State and Local Task Force Program

- There are 81 program funded task forces and 22 provisional task forces.
- The task forces include 1,500 state and local officers and 588 DEA Special Agents.
- In 1993, task force activity accounted for 31 percent of total DEA arrests.
- Asset seizures attributed to state and local task forces accounted for 18 percent of all DEA seizures in 1993.

The Preston Wittenborn case was initiated by the St. Louis Field Division's state and local task force in December of 1991 and continues today. The case involves a white supremacist group (with ties to the Hells Angels) in rural Missouri called the Rolling 90s. It began with intelligence information gleaned through one of the suspects. DEA eventually had up to seven officers (DEA Special Agents and state and local officers) working undercover on the case. The Wittenborn organization sent couriers from Missouri to Los Angeles to obtain methamphetamine. The couriers would check into a motel and meet with the suppliers. Then, they would buy a car, put the drugs in a safe and drive the car (containing the safe) back to Missouri. Law enforcement officials were eventually tipped off by the California license plates which couriers neglected to remove from the car.

Associates of Preston Wittenborn have been tied to one other country (Canada); three other states (Texas, Arizona, Nevada); and eight counties in the state of Missouri (Jefferson, Franklin, Washington, Gasconade, St. Charles, Warren, Osage and Crawford). Other law enforcement agencies involved in the task force are:

Missouri State Highway Patrol
Franklin County Sheriffs Department
Missouri Water Patrol
Farmington Police Department
Gasconade County Sheriffs Department
St. Louis City Police Department
St. Louis County Police Department
Bureau of Alcohol, Tobacco, and Firearms

To date, there have been a total of 28 arrests (11 Class I & II, and 17 Class III), six of whom are the methamphetamine producers in California; 22 of these defendants have pleaded guilty and await sentencing, six are still pending trial. Seizures include 30 weapons (five AK-47 assault rifles, one fully automatic machine gun, one grenade, one explosive devise, numerous sawed-off shotguns and assorted handguns); $70,000 in currency; approximately 17 lbs of methamphetamine; two methamphetamine laboratories; and two businesses. Three farms subject to seizure not seized due to unknown environmental hazards. In addition, 10 more indictments are forthcoming this year, most of them high level dealers: the St. Louis Task Force has been working in conjunction with the DEA and IRS offices in San Francisco on a related OCDETF money laundering case with total identifiable assets of approximately $30 million.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Task Forces....	670	666	$84,577	666	662	$74,344	666	662	$73,244	...	...	($1,100)

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	666	662	$74,344
LOCALITY PAY ABSORPTION			(348)
ADMINISTRATIVE REDUCTIONS	...	...	(752)
TOTAL:	666	662	$73,244

Locality Pay Absorption

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the State and Local Task Force decision unit, a total of $348,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

Administrative reductions taken in the State and Local Task Force Program will limit non-essential travel and the purchase of evidence/purchase of information (PE/PI). While no positions have been reduced in the program, DEA will postpone expansion of the State and Local Task Force Program and provisional task forces will remain in an "ad hoc" status for a longer period of time and will be held to stricter evaluation standards before conversion to program-funded status.

ACTIVITY: INVESTIGATIVE SUPPORT	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	649	669	$62,111	620	640	$61,867	620	640	$60,860	...	...	($1,007)
Laboratory Services.....	312	310	$23,333	307	305	$25,839	307	305	$25,453	...	...	($386)
Training.....	124	123	$25,163	118	117	$25,039	118	117	$24,682	...	...	($357)
Research, Engineering & Technical Operations.....	410	408	$84,897	408	406	$85,647	408	406	$84,609	...	...	($1,038)
Automated Data Processing.....	108	107	$39,865	105	104	$39,924	105	104	$39,417	...	...	($507)
Total:	1,603	1,617	$235,369	1,558	1,572	$238,336	1,558	1,572	$235,041	...	...	($3,295)

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	649	669	$62,111	620	640	$61,887	620	640	$60,880	...	...	($1,007)

LONG RANGE GOAL: Identify, develop, and exploit information and intelligence necessary to enhance the effectiveness of drug law enforcement.

MAJOR OBJECTIVES:

- Provide tactical intelligence on the location and movement of specific targets which require an immediate law enforcement response.
- Collect, analyze, and disseminate drug-related intelligence in direct support to investigations of major drug trafficking organizations.
- Provide intelligence support for money laundering cases and develop intelligence profiles and trend analyses to target enforcement efforts in money laundering investigations.
- Provide current and comprehensive strategic intelligence on drug trafficking patterns and trends for use in DEA and national drug control policy planning.

BASE PROGRAM DESCRIPTION: DEA's Intelligence Program is comprised of four components: financial, operational, and strategic intelligence, and the El Paso Intelligence Center (EPIC). Each serves a vital investigative support function.

The financial intelligence program focuses on the fiduciary aspects of the drug trade. The program supports enforcement efforts by providing direct case support through the identification of assets and the development of financial conspiracy investigations.

The operational intelligence program exploits information available to DEA in direct support of active drug investigations. Such support is provided through the collection, collation, and analysis of the vast (and often conflicting) available information linking events and individuals involved in drug trafficking.

The strategic intelligence program develops comprehensive assessments of drug trafficking patterns, availability and consumption trends, and long-range supply reduction assessments.

EPIC is a multi-agency facility providing the law enforcement community with all-source tactical intelligence pertaining to the interdiction of drugs, weapons, and aliens. EPIC provides 24-hour, seven-days-a-week support for drug law enforcement and interdiction operations.

The National Drug Intelligence Center (NDIC) is a multi-agency facility which was developed to bring together the collective analytical capabilities of all agencies to produce comprehensive analyses of drug trafficking and trafficking organizations. DEA serves as the deputy director of NDIC and also provides a share of the intelligence analyst support.

ACCOMPLISHMENTS AND WORKLOAD:

In 1993, the Intelligence Program supported Targeted Kingpin Organization (TKO) investigations through the analysis of large volumes of documents seized from raids against the Medellin and Cali Cartels. Information derived from this analysis contributed to numerous investigations and prosecutions and resulted in the seizure of large amounts of cash.

The Intelligence Program continued to support law enforcement efforts targeted at the Pablo ESCOBAR-Gaviria organization in 1993. Despite the prominence of ESCOBAR's role in the Medellin Cartel, his organization was not eliminated from the TKO Program upon his death. Extensive informant debriefings continue to be conducted and daily reports are prepared to further define the scope of the ESCOBAR organization and identify individuals who are capable of assuming control of it. It is expected that the organization's activities will enter a period of severely decreased activity, but will resume full-fledged trafficking activities when a successor assumes control.

Also, the Intelligence Program researched and prepared an assessment of the Gilberto and Miguel RODRIGUEZ-Orejuela drug organization. This 1993 report provides background information on the individuals and their families and an in-depth organizational analysis of their operations, and their financial-transportation-distribution-support mechanisms and networks.

Also in 1993, the Intelligence Program managed Operation BREAKTHROUGH, a comprehensive project aimed at understanding more about coca cultivation and cocaine base processing. The operation has provided hard data on the efficiency of clandestine laboratories in Bolivia, addressing such poorly understood aspects of cocaine production as coca leaf-to-cocaine base processing techniques. Coca crop research, under Operation BREAKTHROUGH, has determined conclusively per hectare yields and the cocaine alkaloid contents of coca in both the Chapare and Yungas growing areas.

In 1993, the Special Field Intelligence Program (SFIP) funded 39 SFIPs, allocating more than $1.3 million for the operation of these programs. These SFIPs were responsible for developing 131 cooperating individuals (CIs). Information collected under these programs led to the initiation of more than 119 criminal drug investigations, which resulted in the arrests of 611 persons and the seizure of: 11,483 kilograms of cocaine, 690 kilograms of heroin, 279 kilograms of opium, 337,900 kilograms of marijuana, 8,400 kilograms of hashish, 250 pounds of hashish oil, two heroin laboratories, one cocaine laboratory, $66 million in cash, 13 aircraft, 32 vehicles, 27 vessels, more than $650,000 worth of real property, at least four weapons, and 30 kilograms of uranium.

EPIC continues to provide 24-hour, seven day-a-week support for drug law enforcement and interdiction operations at the Federal, state, and local levels. Through the end of the third quarter of 1993, 568,622 information queries were forwarded to EPIC by participating agencies. EPIC lookouts were instrumental in seizures of 3.7 kilograms of heroin, 31,279 kilograms of cocaine, 47,464 kilograms of marijuana, 25 aircraft, 27 vessels, two vehicles, and $30,147. The preceding seizure figures reflect only those seizures which were the result of active lookouts. EPIC provided continuous operational and analytical support to several multi-agency efforts to locate and destroy clandestine cocaine laboratories in South American source countries; to multi-agency efforts targeting drug interdiction along the Southwest Border; and to interdiction efforts across the U.S. interstate and state highway systems.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	649	669	$62,111	620	640	$61,887	620	640	$60,880	...	...	($1,007)

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	620	640	$61,887
LOCALITY PAY ABSORPTION	...	...	(330)
ADMINISTRATIVE REDUCTIONS	...	...	(677)
TOTAL:	620	640	$60,880

Locality Pay Absorption

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Intelligence decision unit, a total of $330,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

DEA will absorb these reductions by spreading the necessary reductions across intelligence programs, primarily manifested in reduced travel. DEA performs these intelligence functions at Headquarters, at EPIC, and in both domestic and foreign field offices. Intelligence support to high level investigations will be unaffected.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Laboratory Services.....	312	310	$23,333	307	305	$25,839	307	305	$25,453	...	...	($386)

LONG RANGE GOAL: Provide required laboratory support to maximize enforcement, intelligence, and diversion control activities.

MAJOR OBJECTIVES:

- Provide timely analysis of drug evidence supplied by DEA, the FBI, and other Federal law enforcement agencies.
- Provide expert testimony in court.
- Provide field assistance to DEA and FBI Special Agents, including support for clandestine laboratory investigations and seizures, and crime scene searches for trace drug evidence and fingerprints.
- Assist DEA and FBI Special Agents in the development of conspiracy cases, the monitoring of foreign drug distribution patterns, and the origin of controlled substances through in-depth signature analysis and ballistics examinations of case evidence (including tablets, capsules, and papers).
- Improve the forensic drug capabilities of law enforcement agencies worldwide through training and interagency conferences.
- Provide quantitative and qualitative analysis of drug evidence for those agencies without the requisite expertise or facilities necessary for accurate scientific assessment (primarily the Metropolitan Police Department, Washington, D.C.).
- Assist state and local laboratories in their efforts to achieve self-sufficiency by publishing technical information on a regular basis, participating in national and local forensic science conferences and meetings, providing training to forensic chemists on new scientific techniques and procedures, and by supporting programs that work to enhance the capabilities of state and local laboratories.
- Provide technical assistance, oversight and funding for the disposal of hazardous waste "generated" by DEA as a result of clandestine drug laboratory seizures. Ensure that all hazardous waste materials are properly managed for the protection of DEA employees, the environment, and the public.

BASE PROGRAM DESCRIPTION: This program provides laboratory support services for the enforcement, intelligence, and diversion control activities of DEA. Enforcement activities are supported through the timely analysis of drug evidence by forensic chemists and the presentation of expert testimony in court; by providing field assistance to Special Agents on clandestine laboratory investigations and crime scene searches for trace drug evidence; and by conducting toolmark, in-depth and signature analyses for the development of conspiracy cases. Intelligence activities are supported through heroin signature analyses which show the origin of controlled substance and highlight foreign drug distribution patterns. Intelligence activities are also supported through the signature analyses of the Domestic Monitor Program which helps monitor domestic drug distribution patterns and price/purity data at the retail level. Diversion control activities are supported through toolmark examinations (comparison of microscopic tool markings with those of authentic/reference material) of tablets, capsules and papers which provide information on illegal distribution of licitly produced drugs, identifying possible illegal activity by Controlled Substance Act registrants. This program also provides forensic drug laboratory support to the Organized Crime Drug Enforcement Task Forces and to the FBI, which has concurrent jurisdiction for the enforcement of Federal drug laws, and provides support to other Federal law enforcement agencies that do not have their own forensic drug examination capability or that require the special expertise of DEA forensic scientists.

ACCOMPLISHMENTS AND WORKLOAD:

Actual 1992 and 1993 workload data for DEA Laboratory Services, as well as projected workload data for 1994 and 1995 are displayed in the following table:

ITEM	1992 ACTUAL	1993 ACTUAL	1994 ESTIMATE	1995 ESTIMATE
EVIDENCE EXHIBITS	41,331	37,785	37,232	36,620
DEA	27,534	25,144	24,465	24,465
FBI	2,739	2,164	2,125	2,125
U.S. CUSTOMS	2,603	2,509	2,536	2,536
OTHER FEDERAL AGENCIES	1,762	1,883	1,916	1,916
STATE AND LOCAL	117	184	181	181
D.C. METRO POLICE	6,477	5,691	5,786	5,786
OTHER	99	210	223	223
FINGERPRINT EXAMINATIONS	N/A	33,533	32,922	32,922
PHOTOGRAPHS MADE	N/A	53,035	52,068	52,068
COURT APPEARANCES	1,220	1,157	1,136	1,136
FIELD ASSISTANCE	172	164	161	161
TOOLMARK EXAMS	1,682	1,282	1,259	1,259
HEROIN SIGNATURE ANALYSIS	858	930	913	913
CHEMCON	1,234	1,785	1,752	1,752
DOMESTIC MONITOR PROGRAM	513	676	920	920

Note: Workload and accomplishment projections for 1994 are based on an extrapolation of work performed during 1993. The number of evidentiary exhibits reported does not include a backlog of un-analyzed evidence totaling 1,553 exhibits. Projections for 1994 and 1995 are based on a linear extrapolation of 1993 and 1994 data, respectively, except for areas directly affected by anticipated DEA Special Agent position reductions. These areas include, DEA evidence submissions, fingerprint evidence exhibits, photographs made, court appearances, field assistance, toolmark examinations, heroin signature analyses, and ChemCon submissions. The 1994 estimate column reflects a 2.7 percent reduction due to the estimated cut of 98 Special Agents from the DEA Special Agent work force during 1994. It is important to note however, that these reductions were made only on that portion of work submitted for analysis by DEA (based on annual drug evidence submissions, this figure is estimated to be approximately 66.5 percent of incoming work).

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Laboratory Services.....	312	310	$25,333	307	305	$25,839	307	305	$25,453	...	...	($386)

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	307	305	$25,839
LOCALITY PAY ABSORPTION	...	...	(160)
ADMINISTRATIVE REDUCTIONS	...	...	(226)
TOTAL:	307	305	$25,453

Locality Pay Absorption:

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Laboratory Services decision unit, a total of $160,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

During 1995, DEA Laboratory Services will absorb a net funding reduction of $386,000, including $226,000 in administrative reductions. Laboratory Services will continue to reallocate resources among its major program initiatives in order to meet mandated reduction levels.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	124	123	$25,163	118	117	$25,039	118	117	$24,682	...	...	($357)

LONG RANGE GOAL: Establish, maintain, and enhance the mission-related skills of DEA personnel to carry out their work responsibilities.

MAJOR OBJECTIVES:

- Provide high quality entry-level training for all Special Agents, diversion investigators, intelligence analysts, and forensic chemists.
- Offer advanced and specialized in-service training to all DEA investigative personnel in order to provide the most current enforcement, firearms, and safety instruction available.
- Provide supervisory, mid-level management, and executive development training for all appropriate agency personnel.
- Provide foreign language training for all DEA personnel who require such training.
- Provide firearms training, weapons, and supplies to DEA Special Agents.
- Teach drug law enforcement tactics and techniques to state, local, military, and other Federal government personnel involved in controlling illicit drug trafficking.

BASE PROGRAM DESCRIPTION: The DEA training program focuses on providing DEA personnel with the skills and knowledge necessary to fulfill DEA's mission. DEA's specialized training courses include entry-level training; advanced and in-service specialty training; management and supervisory training; and foreign language training.

ACCOMPLISHMENTS AND WORKLOAD:

Entry Level Training	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Basic Agent*				
Number of Classes	9	1	0	0
Number of Students	343	38	4	0
Diversion Investigator				
Number of Classes	1	0	1	1
Number of Students	40	0	36	30
Intelligence Specialist				
Number of Classes	6	2	0	1
Number of Students	143	44	0	22
Forensic Chemist				
Number of Classes	1	1	1	1
Number of Students	20	24	24	24

* This includes all requested or newly appropriated Special Agent positions (including OCDETF) along with Special Agent attrition.

Specialized DEA Training	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Asset Removal*				
Number of Classes	8	9	9	9
Number of Students	320	364	364	364
Division Asset Removal**				
Number of Classes	135	52	52	52
Number of Students	2,178	1,930	1,930	1,930
Clandestine Laboratory***				
Number of Classes	4	8	8	8
Number of Students	143	448	448	448
Firearms Instructor				
Number of Classes	2	2	2	2
Number of Students	81	77	77	77

* The asset removal category includes all diversion asset forfeiture training and all international asset forfeiture training.
** Statistics for 1993 include training of DEA contract employees working in the Asset Forfeiture Program.
*** Statistics for 1993 include four classes (300 students) in Australia by training personnel.

Other Specialized Training	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Miscellaneous*				
Number of Classes	76	84	84	84
Number of Students	3,103	3,540	3,540	3,540

* Denotes all other DEA training other than entry-level training. This includes all academic courses, field in-service courses, tactical training courses, technical training courses, executive development training courses, and executive management training courses.

Outside Vendor Training	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Professional/Admin. Tech./Clerical & Other Number of Students	791	858	858	858
Core Training Number of Students	1,281	463	463	463
Language Training Number of Students	268	163	163	163
Executive Development Number of Students	191	140	140	140

State and Local Training	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Drug Law Enforcement*				
Number of Classes	255	333	333	333
Number of Students	18,478	16,641	16,641	16,641
Drug Unit Commander				
Number of Classes	2	2	2	2
Number of Students	81	80	80	80
Marijuana Eradication				
Number of Classes	58	32	32	32
Number of Students	2,818	2,277	2,277	2,277
Clandestine Laboratory				
Number of Classes	4	2	2	2
Number of Students	170	70	70	70
Asset Removal Schools				
Number of Classes	71	56	56	56
Number of Students	2,679	3,312	3,312	3,312

* Denotes all DEA state and local training courses not otherwise identified.

OTHER ACCOMPLISHMENTS:

During 1993, DEA trained 2,383 law enforcement personnel and prosecutors and judges from approximately 45 foreign countries. This training included both the instruction of foreign nationals within the United States as well as DEA sponsored training in approximately 27 foreign countries. Since the inception of the DEA International Training Program in 1969, DEA has trained a total of 35,038 foreign offices and officials.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	124	123	$25,163	118	117	$25,039	118	117	$24,682	...	...	($357)

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	118	117	$25,039
LOCALITY PAY ABSORPTION	...	...	(56)
ADMINISTRATIVE REDUCTIONS	...	...	(301)
TOTAL:	118	117	$24,682

Locality Pay Absorption

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Training decision unit, a total of $56,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

In 1995, DEA's Office of Training will incur a net staffing reduction of six positions (four professional/administrative and two technical/clerical) through internal reallocations and funding reductions of $301,000 in administrative cost saving measures. Because of DEA's personnel reductions, there will be, at the most, one basic training class for Special Agents and diversion investigators in 1994, and most likely, 1995. Therefore, DEA will focus its training efforts in areas such as asset removal training, clandestine laboratory training, and other field and specialized training.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Engineering & Technical Operations.....	410	408	$84,897	408	406	$85,647	408	406	$84,609	...	...	($1,038)

LONG RANGE GOAL: Support DEA enforcement and intelligence programs through research and development, procurement, maintenance, and management of technical investigative equipment and aircraft, and provide assistance to ensure maximum achievement of the agency's mission.

MAJOR OBJECTIVES:

- Provide high quality technical/investigative support, radio communications, and polygraph support that will lead to increased productivity and effectiveness in investigations.

- Increase the efficiency of DEA field operations through the development of new or improved technical investigative devices and application of scientific research.

- Provide scientific and technological information, training, coordination, and liaison services for DEA and the national and international drug law enforcement and intelligence communities.

- Acquire, maintain, and operate an efficient aircraft fleet with sufficient capabilities to meet all operational requirements.

- Provide Special Agent/Pilots for domestic investigative support and foreign drug intelligence gathering and operational support.

BASE PROGRAM DESCRIPTION: The Research, Engineering and Technical Operations Program encompasses the following major program areas:

- Provides new technology and scientific support to the operational elements of DEA;

- Enhances technical equipment, aircraft, and personnel resources in a manner that allows DEA investigative personnel to maximize their efforts, enhance their personal safety, and accomplish the agency's mission; and

- Ensures the effectiveness of DEA's enforcement effort by offering speed, mobility, vantage, and other qualities unique to aircraft operations. Such qualities permit the successful pursuit of drug investigations not possible with surface vehicles.

ACCOMPLISHMENTS AND WORKLOAD:

Aviation Program:

The number of air missions totaled 11,944 in 1993, involving 25,043 aircraft flight hours. This represents an increase of 5.8 percent over 1992 in the number of hours flown. Approximately 82 percent of the missions and 60 percent of the flight hours were for domestic purposes; the remainder were in support of foreign operations. Sixty percent of the total missions were for surveillance, search, and transport. A total of 1,249 arrests were directly attributed to air support. Approximately 55 percent of the arrests were Class I and II violators. In 1993, DEA had a 12 percent negative mission rate, or 1,396 unfilled mission requests.

Investigative Support and Radio Communications:

Below are the workload statistics and projections for the investigative support and radio communications area:

Item	1991 Actual	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Dialed Number Records	1,982	2,050	2,200	2,200	2,200
Title III's	256	290	320	320	320
Polygraphs	439	586	730	730	730

In 1993, 730 polygraph examinations were administered in support of enforcement operations, employee investigations, and in cooperation with other agencies. The use of tracking and locating transmitters continued to be an important factor in enforcement operations. Over 100 different items were equipped with these devices to monitor movement of aircraft, boats, chemicals, equipment, and contraband.

The Computer Forensics Program has enjoyed significant success as evidenced by the seizure of three major computer systems used by Targeted Kingpin Organizations. Following the first seizure, 18 hard drives were recovered and several thousand documents were retrieved from these drives. These documents provided information detailing the drug distribution network of the organization, including accounts receivable, organizational structures, records of shipments, and records of cash receipts. This information is now being used by Special Agents and intelligence analysts to develop major conspiracy investigations.

Since the first operation, computer forensics personnel have made three additional trips to South America in response to computer seizures. Data has been extracted from numerous hard drives and disks and analyzed on-site to assist Special Agents and intelligence analysts in the developing further investigative leads.

Research and Development:

DEA continues to work with the Office of National Drug Control Policy (ONDCP), the Defense Advanced Research Project Agency (DARPA) and other law enforcement and intelligence agencies to develop strategies and technologies to enhance drug law enforcement's capabilities. The results of this effort can be seen in the following examples.

- A number of imaging systems and technologies were field tested. The systems were applied in a number of situations and proved to be effective for law enforcement applications.
- Prototype automated booking stations are being tested in three domestic offices. These stations provide all pertinent information regarding suspects including fingerprints, physical descriptions, and computer generated photographs. This intelligence can be readily transmitted to domestic and overseas offices to assist in apprehensions and identification.
- Satellite, radio frequency, and cellular telephone tracking systems are being field tested. These systems provide "real-time" locations of drug shipments and suspects.
- A "drop and run" video surveillance package is being developed to enable DEA personnel with limited technical expertise to make use of video surveillance during drug investigations. The package is designed for easy installation to assist investigations when no technical personnel are readily available or when the site of surveillance provides limited access for permanent installations.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Engineering & Technical Operations.....	410	408	$84,897	408	406	$85,647	408	406	$84,609	...	...	($1,038)

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	408	406	$85,647
LOCALITY PAY ABSORPTION	...	...	(212)
ADMINISTRATIVE REDUCTIONS	...	...	(826)
TOTAL:	408	406	$84,609

Locality Pay Absorption

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Research, Engineering, and Technical Operations decision unit, a total of $212,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

Mandated administrative cost reductions will have an impact on DEA's Research, Engineering and Technical Operations Program and the support this program provides to drug investigations. DEA will begin implementing these reductions by excessing aircraft in the domestic field divisions. The exact number and type of aircraft to be excessed will be determined as aircraft suitability and maintenance condition dictate. If necessary, additional administrative costs will be saved through other programmatic reductions within the Research, Engineering, and Technical Operations Program.

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Automated Data Processing.....	108	107	$39,865	105	104	$39,924	105	104	$39,417	...	...	($507)

LONG RANGE GOAL: Provide high quality and timely automated data processing and telecommunications support sufficient to maximize achievement of the DEA mission.

MAJOR OBJECTIVES:

- Provide DEA Special Agents and intelligence analysts with investigative information; share data with the Federal Bureau of Investigation (FBI).
- Enhance DEA's investigative efforts with the capability to automatically index and abstract investigative reports into various DEA data bases through the development of the electronic DEA-6 system.
- Continue improving the quality of information within existing DEA systems in support of DEA's mission and increase productivity in the delivery of information.
- Ensure the security and integrity of data for all office, data processing, telecommunications, and teleprocessing systems.
- Increase quantities, capabilities, and support to office automation equipment in the domestic and overseas offices.
- Maintain a Systems Network Architecture (SNA) telecommunications protocol that will enable DEA to keep abreast of current communications technologies with future expansion options; install a "top secret" access control system.
- Ensure DEA's continued computer operations through the maintenance of the DEA Continuity of Operations Plan (COOP).

BASE PROGRAM DESCRIPTION: This program provides all ADP services to DEA on a worldwide basis. This responsibility includes the maintenance of a modern Data Base Management System (DBMS) with retrieval capability that can establish relationships between various DEA data bases while also significantly improving the ability to query and file within those data bases. In addition to the DBMS, the ADP program is responsible for continually reviewing DEA's system needs in order to identify and develop systems applications that will result in the application of ADP technology to DEA's mission in an effort to maximize the efficiency and effectiveness of the agency. DEA maintains a number of permanent systems, including the following: Narcotics and Dangerous Drugs Information System (NADDIS), Enforcement Management Information System (EMIS), PATHFINDER II, Controlled Substances Act System (CSA), System to Retrieve Information from Drug Evidence (STRIDE), Automation of Reports and Consolidated Orders Systems (ARCOS I & II), and DEA Accounting System (DEAAS). Additionally, microcomputer applications are frequently developed for specific enforcement operations. DEA has a requirement to support investigations of illicit drug operations worldwide. The highly transient nature of subjects under investigation requires the support of a Secure Communication System, which includes, for both domestic and foreign offices, secure voice, facsimile, teletypewriter communications, Communication Security (COMSEC) accounts, Law Enforcement Information Access Systems, and paging systems.

ACCOMPLISHMENTS AND WORKLOAD:

Foreign Support

- The Electronic Time and Attendance (ETA-PC-Tare) project to link DEA's foreign and domestic offices with the National Finance Center (NFC) in New Orleans has reached its conclusion. The last segment, installing PC-Tare software and equipment in all overseas sites, has been completed and the system is operational.

General Support

- EPIC Information Systems (EIS): EIS, formerly known as Mountain Pass, has provided the El Paso Intelligence Center (EPIC) with a base line information system which is integrated and automated. The EIS is intended to meet the current needs of EPIC and the participating agencies, while providing the infrastructure to meet future (beyond 1995) information systems requirements. The EIS is in the final stages of certification and accreditation by DEA with concurrence from all the participating agencies.

- DEA has begun working with the FBI in several areas to exchange information--the sharing of electronic mail messages, NADDIS data, and contract resources are recent examples of this.

- Information Resources Management (IRM): The DEA Strategic Information Resource Management (IRM) Plan was a major initiative undertaken by the Office of Information Systems. A senior management team, consisting of DEA's Assistant Administrator for Operational Support, senior IRM officials from the Defense Information Systems Agency (DISA), and the Department of Justice, was formed to provide management oversight. The primary objective of the plan is to provide background and rationale for technical IRM improvements and to improve DEA's ability to collect, process, and disseminate information. Related objectives include: 1) accounting for DEA's policies and strategies; 2) deriving and/or revising DEA's Concept of Operations (CONOPS) for conducting its enforcement responsibilities; 3) highlighting external and internal DEA relationships and information requirements; and 4) recommending new IRM relationships.

  The first major initiative in the IRM Education Program was the publication of the first DEA IRM Bulletin which was distributed throughout DEA in March 1993. The bulletin is published six times a year. The bulletin emphasizes information that is important to supporting DEA's mission, goals, and objectives, as well as ways to speed up the information flow process. One primary objective is to increase knowledge about DEA's resources, where they are, how they are used, and how to obtain them in support of each employee conducting day-to-day business.

- Interagency Activity: Staff from the Office of Information Systems represented DEA at the annual meeting of the Subcommittee on Information Systems Security and the Subcommittee on Telecommunications Security (SISS/STS). This is a national level information system security committee sponsored under the auspices of the National Security Agency (NSA). A DEA representative presented the work of the Counternarcotics Joint Working Group (CJWG). This document was created using the paradigm established during the certification and accreditation process during the Mountain Pass Project. A demonstration of the Hypertext version of the document, presented to the participants, was well received. Many agency participants requested a demonstration at their agency in the future. The CJWG also developed, in conjunction with the national level Certification and Accreditation Working Group (C&AWG), a certification and accreditation policy. This policy is now undergoing a vote for adoption by the National Security Agency (NSA). In addition to DEA, participants in the CJWG represented the U.S. Coast Guard, the Department of Justice, the Secret Service, the National Security Agency (NSA), the Department of Treasury, and the Office of National Drug Control Policy (ONDCP).

  The General Accounting Office (GAO) concluded an audit of DEA's commercial-off-the-shelf (COTS) software, using the Network Operations Unit as the sample office. No software violations were detected.

  The Department of Justice is interested in using DEA's concept of the use of LEAD encryption devices in the Civil Division for transmitting time & attendance (T&A) data. The Department does not currently have a contract vehicle in place to acquire the LEAD devices; therefore, they have requested DEA's assistance. The Office of Information Systems staff is providing assistance in this effort.

- Network Control Center (NCC): The periphonics system became operational in April 1993. This system allows incoming calls to the NCC to be answered via a telephone decision tree. Callers with specific questions will be routed directly to the responsible office or individual. The system quickly and accurately answers and forwards calls. It also gives the status of the M204 system.

- Continuity of Operations Plan (COOP): DEA's COOP underwent successful testing of all DEA level-one software applications at the DOJ backup and recovery facility in Dallas, Texas. DEA's offices of Security Programs and Information Systems have developed contingency handbooks for office automation (OA) servers and work stations, as well as personal computers (PCs), and local area networks (LANs), the Office of Diversion, and the file room.

- ADP Security: Risk Assessment and Vulnerability Analyses (RAVAs) have been conducted in the Washington Division Office and Baltimore District Office; the Dallas Division Office, the Fort Worth Resident Office, and the Dallas/Fort Worth Airport Office; the Miami Division Office and the Ft. Lauderdale District Office; the San Francisco Division Office, the Santa Ana Resident Office, EPIC, and 19 corporate systems at DEA Headquarters.

To address some of the vulnerabilities found in the RAVAs, the following efforts have been initiated by the Office of Information Systems: Information Systems Tracking Catalog (ISTC)--this will list all mainframe application systems, the creation date, hardware residence, interaction with other systems, legislative requirements status, program manager information, AIS project operations manager information, modifications, etc. (A draft ISTC and data base have been completed and are awaiting system input updates); develop a procedure for Headquarters elements and division offices to account for commercial-off-the-shelf software products. This project was completed in 1993; A trusted facilities manual is being created which will contain DEA's overall security policy and guidelines for physical, administrative, operational, technical, communications, and computer security. This is a joint Office of Security Programs and Office of Information Systems initiative. The expected completion date is February 1994. The Security Training Program Tracking System which will contain the status of each DEA employee's security training, when it was received, the next scheduled training session, and the type of training required depending on each employee's area of responsibility. The system was completed in 1993.

- Certification and Accreditation (C&A) of ADP Systems: The Office of Information Systems has developed a certification and accreditation program plan for DEA's ADP systems. DEA has begun implementation of this plan--future systems to undergo a C&A include DEA's future office automation and intelligence systems.

- NADDIS: On-line fugitive and family member queries have been developed and installed in NADDIS. The NADDIS-X hit notification reports, previously available monthly to the field offices as batch reports, were placed on-line for the user. The NADDIS-X reports are accessed through the Case Status System (CAST).

- Green Merchant System: The M204 Green Merchant data base continues to be updated with new leads. Enhancements have been made to the data entry screens to allow for the input of additional information, such as credit card numbers. In addition, the Green Merchant report has been enhanced to allow for wild card searches on last name and zip code range retrieval.

- Central Reference System (CREF): The capability to update U.S. and foreign area codes and exchanges along with their corresponding locations on a monthly basis has been added to the CREF System. This feature takes on added importance due to the ever expanding number of area codes within the United States, and continuing geographical changes in Europe, i.e. Germany, Bosnia, Serbia, Croatia.

- Electronic DEA-6 System: The Office of Information Systems has awarded the electronic DEA-6 full text retrieval system to a contractor. The system has been prototyped and DEA is testing the transfer of data to the mainframe.

- Domestic Electronic Time and Attendance Conversion: The project to permit DEA's domestic offices to transmit data to the National Finance Center in a secure mode has been completed.

- In addition to the above accomplishments, the Office of Information Systems also supports numerous DEA projects classified at the DEA sensitive level and above.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Automated Data Processing.....	108	107	$39,865	105	104	$39,924	105	104	$39,417	...	...	($507)

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	105	104	$39,924
LOCALITY PAY ABSORPTION	...	...	(56)
ADMINISTRATIVE REDUCTIONS	...	...	(451)
TOTAL:	105	104	$39,417

Locality Pay Absorption

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Automated Data Processing decision unit, a total of $56,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

Base resources will be directed at sustaining systems maintenance. DEA will scale back or eliminate many planned initiatives. Systems development and improvement might be affected, particularly with regard to enhancements of DEA's many data bases (such as NADDIS). Development of text/image processing systems, which would reduce paper and improve the productivity of DEA's analytical resources, will be postponed.

ACTIVITY: PROGRAM DIRECTION

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration..	736	774	$85,123	711	749	$81,153	711	749	$79,887	...	...	($1,266)

LONG RANGE GOAL: Develop, maintain, and provide effective and efficient management, executive direction and control, and administrative support functions to ensure maximum achievement of DEA's mission.

MAJOR OBJECTIVES:

- Provide quality management, direction, and control through policy development; provide accurate and timely information to Congress, specific interest groups, and to the public regarding DEA's mission and activities; provide a full range of legal services to the agency, and provide centralized program coordination and reporting of asset forfeiture processing.
- Provide effective budget planning, formulation, and execution; an efficient DEA financial accounting and reporting system in compliance with OMB/GAO directives; and strong management procedures and internal controls via OMB Circulars A-123 and A-76.
- Investigate instances of integrity misconduct within DEA; maintain financial accuracy and timeliness through internal audits; effectively monitor and evaluate all programs within DEA through inspections for mission accomplishment and operational performance; and provide physical, facility, and information security to DEA.
- Continue an effective strategic planning process for DEA, including further development of the Strategic Management System and Field Management Plan; establish statistical systems for drug seizures, drug arrests, and asset seizures; and serve as a clearinghouse for DEA statistical measures.
- Manage office and special purpose space to meet DEA mission requirements as well as provide effective management in administrative areas for employees concerning relocation, procurement, contracting, and office services.
- Upgrade the maintenance, retrievability, and disposition of DEA files through the application of records management practices and technology; provide administrative and operational directives to management services for prompt dissemination of policy and procedures. Provide effective reports management through cost benefit analysis, management of a reports information data base, and periodic reviews of reporting requirements; and provide specialized forms design and analysis for drug enforcement programs and electronic data processing systems.
- Provide a safe and efficient motor vehicle fleet to conduct undercover investigations and for other investigative purposes.

- Under the Freedom of Information and Privacy Act regulations, respond to all requests to DEA involving Freedom of Information and/or Privacy Act information.

- Provide an effective human resources program including position management and compensation for employees, merit pay, benefits, awards, and retirement services; validate personnel procedures and practices in areas of employee performance appraisal, selection, promotion, and discipline; and provide necessary health services, including drug testing and employee physical examinations.

BASE PROGRAM DESCRIPTION:

- This program is responsible for setting policy, providing solutions to problems in program formulation, management functions and internal control, as well as ensuring the effective development and utilization of resources so that goals and objectives continue to be met.

- Staff Operations: Responds to Congressional, media, and public inquiries; provides DEA officials with reports on Congressional activities; issues press releases; prepares text of speeches, talking points, and Congressional testimony; and prepares legal briefs, opinions, and presentations; and provides technical legal training in regulatory and criminal matters, civil litigation, seizures, forfeiture of assets, personnel, equal employment opportunity, procurement, and international matters.

- Financial Management: Prepares DEA's budget; develops and maintains DEA's resource allocation plans; and operates DEA's accounting system.

- Planning and Inspection: Advises management on all matters pertaining to planning, policy analysis, statistical systems, integrity/misconduct matters, and personnel, document, and physical security.

- Personnel Operations: Manages classification; pay and position management; employee relations, assistance, and benefits; recruitment and placement; health and safety; personnel systems automation development; and validation and analysis of personnel procedures. The Office of Personnel also advises and assists managers and employees on personnel matters, develops policy and provides guidance for the effective management of the work force.

- Equal Employment Opportunity: Ensures that DEA focuses on legal and moral responsibilities in selecting and managing its work force. This prevents discrimination and morale problems and assures the equitable treatment of all DEA employees.

- General Services: Provides DEA's administrative support including: the acquisition and utilization of space; operation, maintenance, and repair of office and special facilities; permanent change of station orders; relocation benefits; office supplies; formal procurement contracts and requisitions; office furniture and equipment; and DEA's motor vehicle fleet.

ACCOMPLISHMENTS AND WORKLOAD:

Demand Reduction: During 1993, DEA's Demand Reduction Program was responsible for sponsoring more than 2,500 events across the nation, most of which fell into six national priority categories: Drugs in the Workplace, Sports Drug Awareness, Minority and High-Risk Youth, User Accountability, Law Enforcement Training, and Community Coalition Building. Outside of the national priority structure, DEA Demand Reduction Coordinators (DRCs) also made a number of visits to youth and adult correctional institutions in an effort to address inmates with drug abuse problems.

DEA was also intimately involved in the formation of the New England Community Policing and Crime Prevention Partnership, a six-state law enforcement coalition. As chairman of the Partnership, the DRC from DEA's Boston Field Office was the principal shaper of a community policing seminar at the College of St. Anselm, in Manchester, New Hampshire. This seminar was attended by more than 300 law enforcement officers from across the country.

On the international front, the Department of State (DOS) worked in cooperation with DEA to conduct demand reduction training seminars in seven Latin American and Asian countries. A DOS funded/DEA sponsored training event was held in Buenos Aires, Argentina and planning visits were made to Santo Domingo, Dominican Republic and four Venezuelan cities, the latter of which were in cooperation with the Office of Major League Baseball.

Chief Counsel: Acts as the legal officer and advisor to DEA on all matters relating to enforcement, regulatory, procurement, international protocols, and administrative activities. Participates in the formulation of policies and procedures for the agency.

Planning and Inspection: In 1993, DEA conducted 9 inspections including six field divisions. These inspections and audits resulted in the issuance of 51 Schedules of Findings and 148 recommendations requiring corrective actions. The Shooting Incident Team reviewed 69 shooting investigative packages.

During 1993, the Office of Professional Responsibility initiated 133 integrity/misconduct investigations.

Facilities Management: The facilities management staff is responsible for all space acquisitions, alterations, telephone communications, rent, security installations, utilities, and guard services. This program also supports the facilities management and operation of the El Paso Intelligence Center and the Aviation Operations Center, and manages the foreign housing program in DEA's overseas locations.

Property Management: In 1993, DEA seized a total of 2,770 vehicles, of which 206 were placed into official government service. DEA also seized 106 vessels and 25 aircraft, of which one vessel was placed into official government service. DEA transferred 398 motor vehicles, 14 vessels, and two aircraft to the U.S. Marshals Service for final disposition.

DEA purchased 395 replacement vehicles in 1993. Foreign vehicle purchases totaled 55. DEA excessed 828 motor vehicles and one vessel in 1993.

In 1993, DEA processed 631 seizure files on motor vehicles, 15 files on vessels, and two files on aircraft. DEA also processed 124 requests for retrofit funding and 66 requests for lien payments from the Asset Forfeiture Fund.

In 1993, the office processed a total of 289 requests for new office equipment/furniture, 359 requests to excess property, and 1,233 seizure files on various types of furniture and equipment.

Buildings Management: The buildings management staff is responsible for the operation, maintenance, and management of the facilities, grounds, and equipment (which includes repairs, alterations, renovations, preventive maintenance, space planning, and space assignment) at DEA Headquarters.

Office Services: In 1993, DEA processed 14,336 requests for supplies and office services and handled 1,562,583 pieces of out-going mail, 2,735 special messenger requests, 793 requests for graphics, and processed through x-ray equipment 2,214,004 boxes and flat mail.

Financial Management: The following chart depicts financial management workload.

	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
PCS VOUCHERS	1,715	2,400	2,800	2,350	1,456
TEMPORARY DUTY VOUCHERS	22,320	37,000	41,300	40,903	35,170
COMMERCIAL INVOICES	78,535	98,000	80,700	69,663	47,682
DEPT. OF STATE BILLINGS	323	385	468	345	199
FLASHROLLS	153	134	192	82	60
IMPREST SUBVOUCHERS	162,825	166,000	169,500	171,150	193,575
THIRD PARTY DRAFTS	...	...	6,000	26,459	44,210

Records Management:

The following chart depicts records management workload. Note: Changes in Agent reporting requirements in 1993 reduced the number of routine investigative reports.

	FY 1992	FY 1993	FY 1994 Estimate	FY 1995 Estimate
Investigative Reports Received	554,201	602,992	600,000	600,000
Investigative Reports Processed in NADDIS	279,020	263,589	220,000	220,000
New NADDIS Records Created	259,960	264,601	280,000	280,000
New Investigative Cases Opened	30,195	20,000	20,000	20,000
New Informant Files Created	5,896	6,566	6,400	6,400
Investigative Reports Filed	504,826	501,541	550,000	550,000
Requests for Retiring Records	182	190	198	205
Forms Design Actions	138	142	150	155
Library Computer Data Researches	750	740	745	750
Library Clients Serviced	3,512	3,560	3,600	3,600
Library Reference Requests Processed	3,355	3,475	3,500	3,500

Procurement:

	FY 1992	FY 1993	FY 1994 ESTIMATE
NEW CONTRACTS	94	31	40
MODIFICATIONS	...	98	110
PURCHASE ORDERS	...	2,747	2,800
DELIVERY/TASK ORDERS	278	389	600

Transportation:

	FY 1992	FY 1993	FY 1994 ESTIMATE
PASSPORT/VISA REQUESTS	1,004	1,569	1,726
PCS MOVES	976	300	333
TOUR RENEWALS	110	105	116
EDUCATIONAL TRAVEL ORDERS	...	39	43

Equal Employment Opportunity: From 1987-1991 an average of 16.6 discrimination complaints were filed each year. In 1992, 33 new complaints were filed. In 1993, 39 complaints were filed. Currently, a total of 82 complaints are being processed (this includes complaints from other bureaus that were assigned by the Department of Justice due to conflict of interest issues).

Personnel: During 1993, DEA assisted 3,863 employees and family members through employee assistance counseling and services. In addition, DEA completed 2,356 physical examinations and handled 4,312 clinic visits, and processed 851 drug tests. DEA also processed 47 retirements and 1,557 award actions. In 1993, DEA's payroll system was converted to the National Finance Center Payroll System.

PROGRAM CHANGES:

	1994 Appropriation As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration..	736	774	$85,123	711	749	$81,153	711	749	$79,887	...	...	($1,266)

1995 DETAIL OF CHANGES

	POS	WY	($000)
1995 BASE	711	749	$81,153
LOCALITY PAY ABSORPTION	...	...	(364)
ADMINISTRATIVE REDUCTIONS	...	...	(902)
TOTAL:	711	749	$79,887

Locality Pay Absorption

DEA will submit to the Congress a reprogramming proposal that will provide $8.3 million for locality pay in 1994. An additional $2.8 million is required in 1995 for the annualization of the 1994 locality pay increase assuming a constant on-board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non-personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase. Since DEA's employment level is currently over ceiling, no reduction in authorized workyears is necessary. For the Management and Administration decision unit, a total of $364,000 will be required for locality pay in 1995, out of the total DEA requirement of $2.8 million.

Administrative Reductions:

The FTE reductions for the Management and Administration Program will be spread throughout DEA, including such functions as: legal services, planning and inspection, procurement, financial management, general services, and personnel. These reductions will affect the workload and productivity within each of these program areas. Although DEA is attempting to streamline all administrative operations, consistent with the President's mandate, some areas may suffer initially from these reductions. DEA will minimize any disruption to enforcement operations caused by these reductions.

Drug Enforcement Administration
Salaries and expenses
Justification of Multi–Activity Program Changes
(Dollars in thousands)

Item: Program Decreases

Estimates by Program	Locality Pay Absorption			Administrative Savings			Total		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic enforcement	...	...	($927)	...	...	($1,570)	...	...	($2,497)
SEO and P	...	...	...	...	...	...	...	...	...
Foreign cooperative investigations	...	...	(280)	...	...	(2,007)	...	...	(2,287)
Drug and chemical diversion control	...	...	(35)	...	...	(75)	...	...	(110)
State and local task forces	...	...	(348)	...	...	(752)	...	...	(1,100)
Intelligence	...	...	(330)	...	...	(677)	...	...	(1,007)
Laboratory services	...	...	(160)	...	...	(226)	...	...	(386)
Training	...	...	(56)	...	...	(301)	...	...	(357)
Research, engineering, and technical operations	...	...	(212)	...	...	(826)	...	...	(1,038)
ADP	...	...	(56)	...	...	(451)	...	...	(507)
Management and administration	...	...	(364)	...	...	(902)	...	...	(1,266)
Total	...	...	(2,768)	...	...	(7,787)	...	...	(10,555)

Narrative Description

Net program decreases of $10,555,000 are proposed for 1995. This includes $7,787,000 in administrative cost savings and objectives and $2,768,000 in order to fund the annualized 1994 locality pay in 1995.

The Administrative reductions will be met by closing and/or reducing foreign and domestic offices, reducing investigative support to enforcement operations, scaling back intelligence activities, limiting laboratory services, and reducing administrative support. DEA will fully pursue its priority investigations and the Kingpin Strategy.

DEA will submit to the Congress a reprogramming proposal that will provide $8,300,000 for locality pay in 1994. An additional $2,768,000 is required in 1995 for the annualization of the 1994 locality pay increase asssuming a constant on–board staffing strength. DEA expects that attrition will increase during the remainder of 1994 and the first half of 1995, thus freeing payroll funds for other requirements. Instead of requesting a reprogramming of the surplus payroll funds for non–personnel compensation items, DEA plans to use the surplus to fund the 1995 annualization of the 1994 locality pay increase.

As the Drug Enforcement Administration implements the personnel decreases reflected in this budget for fiscal years 1994 and 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

Drug Enforcement Administration
Salaries and expenses
Financial Analysis--Program Changes
(Dollars in thousands)

Item	DOMESTIC ENFORCEMENT				FOREIGN COOPERATIVE INVESTIGATIONS				DRUG AND CHEMICAL DIVERSION CONTROL			
	Locality Pay		Administrative Savings		Locality Pay		Administrative Savings		Locality Pay		Administrative Savings	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades:												
GS – 13	...	...	...	...	...	...	...	...	...	...	...	...
GS – 12	...	...	...	...	...	...	...	...	...	...	...	...
GS – 11	...	...	...	...	...	...	...	...	...	...	...	...
GS – 6	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...	...	...
Lapse (–)	...	($663)	...	...	...	($200)	...	...	...	($25)	...	...
Other personnel compensation	...	(80)	...	...	...	(24)	...	...	...	(3)	...	...
Total workyears and personnel compensation	...	(743)	...	...	...	(224)	...	...	...	(28)	...	...
Personnel benefits		(184)		...		(56)		...		(7)		...
Travel and transportation of persons		...		($503)		...		($359)		...		($34)
Transportation of things		...		(11)		...		(37)		...		(2)
GSA rent		...		...		...		...		...		...
Rental payments to others		...		...		...		...		...		...
Communications and utilities		...		(215)		...		(87)		...		...
Printing and reproduction		...		(3)		...		(13)		...		(1)
Other services		...		(526)		...		(1,215)		...		(27)
Supplies and materials		...		(312)		...		(174)		...		(8)
Equipment		...		...		...		...		...		(3)
Land and structures		...		...		...		(122)		...		...
Total program workyears and obligations changes requested, 1995	...	(927)	...	(1,570)	...	(280)	...	(2,007)	...	(35)	...	(75)

Financial Analysis -- Program Changes
(Dollars in thousands)

Item	STATE AND LOCAL TASK FORCES				INTELLIGENCE				LABORATORY SERVICES			
	Locality Pay		Administrative Savings		Locality Pay		Administrative Savings		Locality Pay		Administrative Savings	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades:												
GS – 13	...	...	...	...	...	...	...	...	...	...	...	...
GS – 12	...	...	...	...	...	...	...	...	...	...	...	...
GS – 11	...	...	...	...	...	...	...	...	...	...	...	...
GS – 6	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...	...	...
Lapse (–)	...	($249)	...	...	...	($236)	...	...	...	($114)	...	...
Other personnel compensation	...	(30)	...	...	...	(28)	...	...	...	(14)	...	...
Total workyears and personnel compensation	...	(279)	...	...	...	(264)	...	...	...	(128)	...	...
Personnel benefits		(69)		...		(66)		...		(32)		...
Travel and transportation of persons		...		($135)		...		($122)		...		($41)
Transportation of things		...		(23)		...		(20)		...		(7)
GSA rent		...		...		...		...		...		...
Rental payments to others		...		...		...		...		...		...
Communications and utilities		...		...		...		...		...		...
Printing and reproduction		...		(8)		...		(7)		...		(2)
Other services		...		(27)		...		(454)		...		(14)
Supplies and materials		...		(83)		...		(74)		...		(25)
Equipment		...		...		...		...		...		...
Land and structures		...		(476)		...		...		...		(137)
Total program workyears and obligations changes requested, 1995	...	(348)	...	(752)	...	(330)	...	(677)	...	(160)	...	(226)

Financial Analysis -- Program Changes
(Dollars in thousands)

Item	TRAINING				RESEARCH, ENGINEERING, & TECHNICAL OPERATIONS				ADP			
	Locality Pay		Administrative Savings		Locality Pay		Administrative Savings		Locality Pay		Administrative Savings	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades:												
GS – 13	...	...	...	...	...	...	...	...	...	...	...	...
GS – 12	...	...	...	...	...	...	...	...	...	...	...	...
GS – 11	...	...	...	...	...	...	...	...	...	...	...	...
GS – 6	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...	...	...
Lapse (–)	...	($40)	...	...	...	($152)	...	...	...	($40)	...	...
Other personnel compensation	...	(5)	...	...	...	(18)	...	...	...	(5)	...	...
Total workyears and personnel compensation	...	(45)	...	...	...	(170)	...	...	...	(45)	...	...
Personnel benefits		(11)		...		(42)		...		(11)		...
Travel and transportation of persons		...		($54)		...		($100)		...		($51)
Transportation of things		...		(9)		...		...		...		...
GSA rent		...		...		...		...		...		...
Rental payments to others		...		...		...		...		...		...
Communications and utilities		...		...		...		...		...		...
Printing and reproduction		...		(3)		...		...		...		...
Other services		...		(77)		...		(651)		...		(293)
Supplies and materials		...		...		...		...		...		...
Equipment		...		...		...		(75)		...		...
Land and structures		...		(158)		...		...		...		(107)
Total program workyears and obligations changes requested, 1995	...	(56)	...	(301)	...	(212)	...	(826)	...	(56)	...	(451)

Financial Analysis -- Program Changes
(Dollars in thousands)

Item	MANAGEMENT AND ADMINISTRATION				TOTAL			
	Locality Pay		Administrative Savings		Locality Pay		Administrative Savings	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades:								
GS – 13	...	...	...	...	...	...	...	...
GS – 12	...	...	...	...	...	...	...	...
GS – 11	...	...	...	...	...	...	...	...
GS – 6	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...
Lapse (–)	...	($261)	...	...	...	($1,980)	...	...
Other personnel compensation	...	(31)	...	...	...	(238)	...	...
Total workyears and personnel compensation	...	(292)	...	...	...	(2,218)	...	...
Personnel benefits		(72)		...		(550)		...
Travel and transportation of persons		...		($162)		...		($1,561)
Transportation of things		...		(27)		...		(136)
GSA rent		...		...		...		...
Rental payments to others		...		...		...		...
Communications and utilities		...		...		...		(302)
Printing and reproduction		...		(9)		...		(46)
Other services		...		(605)		...		(3,889)
Supplies and materials		...		(99)		...		(775)
Equipment		...		...		...		(78)
Land and structures		...		...		...		(1,000)
Total program workyears and obligations changes requested, 1995	...	(364)	...	(902)	...	(2,768)	...	(7,787)

Drug Enforcement Administration
Salaries and Expenses
Status of Construction and Summary of New Facility Requirements
(In thousands of dollars)

Project	Budget Request or Appropriation					Total Current Cost Estimate or Actual	Current Status Obligations to Date	Stage of Programs	Expected Completion Date
	Planning and Site Acquisition		New Construction		Total Funding				
	Fiscal Year	Amount	Fiscal Year	Amount					
DEA Aviation Operations Center	1991	$2,500	1991	$7,500	$10,000		$2,500		
			1992	$6,000	$6,000		13,000	Project	
			1993	7,000	7,000		7,500	Completed.	1994
				20,500	23,000	$23,000	23,000		
			1994						
EPIC Expansion	1993	750*	1993	...	750	750	...	In planning stages.	1998
			1994	4,000**	4,000	4,000	...		
				4,000	4,750	4,750	...		

* $2,000,000 was provided in the Special Forfeiture Fund through the Treasury/Postal Appropriation in 1993. Supplemental language was submitted to and approved by the Congress, allowing $1,250,000 of the original $2,000,000 to be redirected to support EPIC's on-going ADP upgrades. The remaining $750,000 was used for the EPIC expansion project.

** $4,000,000 was provided in the Special Forfeiture Fund through the Treasury/Postal Appropriation in 1994.

Drug Enforcement Administration
Salaries and Expenses
Priority Rankings

Base Program		Program Increases	
Program	**Ranking**	**Program**	**Ranking**
Domestic Enforcement	1	(No Program Increases)	1
State and Local Task Forces	2		2
Foreign Cooperative Invest.	3		3
Intelligence	4		4
Research, Engineering, & Technical Operations	5		5
Training	6		6
Laboratory Services	7		7
Management and Administration	8		8
Automated Data Processing	9		9
Drug and Chemical Diversion Control	10		10

Drug Enforcement Administration
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Appropriation as Anticipate	1995 Request	
			Base	Total Authorized
Attorneys (905)	32	32	32	32
Other Legal and Kindred (900–998)	15	15	15	15
Legal Instruments Examining Series (963)	29	29	29	29
General Investigating Series (1810)	419	140	55	55
Criminal Investigating Series (1811)	2,651	2,577	2,576	2,576
Miscellaneous Inspectors Series (1802)	75	75	75	75
Other Miscellaneous Occupations (001–099)	16	16	16	16
Intelligence Series (132–134)	408	399	373	373
Personnel Management (200–299)	88	88	88	88
General Administrative, Clerical and Office Services (300–399	1,827	1,817	1,602	1,602
Biological Sciences (400–499)	4	4	4	4
Accounting and Budget (500–599)	101	101	101	101
Medical, Dental and Public Health (600–799)	7	7	7	7
Engineering and Architecture Group (800–899)	6	6	6	6
Information and Arts Group (1000–1099)	19	19	19	19
Business and Industry Group (1100–1199)	9	9	9	9
Physical Sciences Group (Other than Chemists) (1300–1399)	10	10	10	10
Chemist Series (1320)	206	200	193	193
Library and Archives Group (1400–1499)	3	3	3	3
Mathematics and Statistics Group (1500–1599)	10	10	10	10
Equipment, Facilities and Service Group (1600–1699)	40	40	40	40
Education Group (1700–1799)	3	3	3	3
Supply Group (2000–2099)	22	22	22	22
Transportation (2100–2199)	6	6	6	6
Ungraded (Wage Grade & Foreign Service Local)	21	21	21	21
Total	6,027	5,649	5,315	5,315
Washington	1,137	1,137	1,103	1,103
U. S. Field	4,516	4,138	3,845	3,845
Foreign Field	374	374	367	367
Total	6,027	5,649	5,315	5,315

Drug Enforcement Administration
Salaries and Expenses
Schedule of Foreign Motor Vehicles

	1992 End	1993 Estimate			1994 Projection			1995 Projection			
Method of Acquisition and Type of Vehicle	of Year Inventory	Acquired	1/ Disposed	End of Year	Acquired	2/ Disposed	End of Year	Acquired	Average Cost	Disposed	End of Year
Direct Purchase:											
Large sedan	...	...	...	0	...	...	0	...	...	...	0
Midsize sedan	56	54	30	80	89	96	73	87	$25,000	87	73
Compact sedan	112	...	...	112	...	...	112	...	...	...	112
Subcompact sedan	0	...	...	0	...	...	0	...	...	...	0
Small sedan	...	...	...	...	...	...	...	...	...	...	...
Station wagon	2	...	...	2	...	...	2	...	...	...	2
Van	3	...	...	3	...	...	3	...	...	...	3
Bus	...	...	...	0	...	...	0	...	...	...	0
4-wheel drive	148	...	...	148	...	...	148	...	...	...	148
Special purpose											
Sedan	...	...	...	0	...	...	0	...	...	...	0
4-wheel drive	...	...	...	0	...	...	0	...	...	...	0
Other	...	...	...	0	...	...	0	...	...	...	0
Trucks:											
Pickup	...	...	...	0	...	...	0	...	...	...	0
Other	3	...	...	3	...	...	3	...	...	...	3
Subtotal purchased	324	54	30	348	89	96	341	87	$25,000	87	341
Leased:											
Midsize	...	...	...	...	...	...	...	...	...	...	...
Seized or not cost excess											
Limousine	...	...	...	0	...	...	0	...	...	...	0
Large sedan	...	...	...	0	...	...	0	...	...	...	0
Midsize sedan	2	...	2	0	...	...	0	...	...	...	0
Other	8	...	...	8	...	...	8	...	...	...	8
Subtotal seized	10	0	2	8	0	0	8	0	...	0	8
Total vehicles	334	54	32	356	89	96	349	87	$25,000	87	349

1/ DEA reduced five Special Agent positions as a result of 1994 Administration mandated reductions in 1993.

2/ DEA reduced seven Special Agent positions in 1994.

Drug Enforcement Administration
Salaries and Expenses
Schedule of Domestic Motor Vehicles

Method of Acquisition and Type of Vehicle	1992 End of Year Inventory	1993 Estimate			1994 Projection			1995 Projection			End of Year
		Acquired	1/ Disposed	End of Year	Acquired	2/ Disposed	End of Year	Acquired	Average Cost	Disposed	
Direct Purchase:											
Large sedan	39	...	...	39	...	...	39	...	...	...	39
Midsize sedan	1,836	395	447	1,784	1,045	1,136	1,693	1,025	$18,900	1,025	1,693
Compact sedan	721	...	...	721	...	...	721	...	...	...	721
Subcompact sedan	30	...	...	30	...	...	30	...	...	...	30
Small sedan	1	...	...	1	...	...	1	...	...	...	1
Station wagon	39	...	...	39	...	...	39	...	...	...	39
Van	38	...	...	38	...	...	38	...	...	...	38
Bus	2	...	...	2	...	...	2	...	...	...	2
4-wheel drive	204	...	...	204	...	...	204	...	...	...	204
Special purpose											
Sedan	9	...	...	9	...	...	9	...	...	...	9
4-wheel drive	41	...	...	41	...	...	41	...	...	...	41
Other	71	...	...	71	...	...	71	...	...	...	71
Trucks:											
Pickup	10	...	...	10	...	...	10	...	...	...	10
Other	...	...	...	...	...	...	...	...	...	...	...
Subtotal purchased	3,041	395	447	2,989	1,045	1,136	2,898	1,025	$18,900	1,025	2,898
Leased:											
Midsize	6	...	...	6	...	...	6	...	...	...	6
Seized or not cost excess											
Limousine	2	...	...	2	...	...	2	...	...	...	2
Large sedan	5	...	...	5	...	...	5	...	...	...	5
Midsize sedan	293	257	356	194	200	188	206	200	...	188	218
Other	984	...	...	984	...	...	984	...	...	...	984
Subtotal seized	1,284	257	356	1,185	200	188	1,197	200	...	188	1,209
Total vehicles	4,331	652	803	4,180	1,245	1,324	4,101	1,225	$18,900	1,213	4,113

1/ DEA reduced 44 Special Agent FTE in the S & E Budget and eight OCDE FTE in 1993.
2/ DEA reduced 67 Special Agent FTE in the S & E Budget and 24 OCDE FTE in 1994.

SCHEDULE OF AIRCRAFT

	1992 End of Year Inventory	1993			1994			1995		
		Acqd	Disposed	End of Year	Acqd	Disposed	End of Year	Acqd	Disposed	End of Year
Direct Purchase:										
Fixed Wing										
Single engine	22	...	...	22	...	...	22	...	...	22
Multi-engine	13	...	...	13	...	...	13	...	...	13
Helicopter										
Single engine	5	...	...	5	...	...	5	...	...	5
Multi-engine	6	...	...	6	...	...	6	...	...	6
Subtotal purchased	46	0	0	46	0	0	46	0	0	46
Leased:										
Fixed wing										
Multi-engine (Turbine)	...	...	...	...	...	...	...	...	...	0
Seized:										
Fixed wing										
Single engine	13	2	2	13	...	...	13	...	...	13
Multi-Engine	33	2	2	34	...	...	34	...	5	29
Helicopter										
Single engine (Turbine)	5	2	2	5	...	...	5	...	...	5
Twin engine	0	...	...	0	...	...	0	...	...	...
Subtotal Seized	51	6	6	52	0	0	52	0	5	47
Military:										
Fixed Wing	4	...	...	4	...	...	4	...	...	4
Helicopter	7	3	...	10	...	...	10	...	...	10
Subtotal military	11	3	0	14	0	0	14	0	0	14
TOTAL AIRCRAFT	108	9	6	112	0	0	112	0	5	107

Drug Enforcement Administration
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1994 appropriation as enacted	5,649	5,676	$722,000
Transfers:			
HIDTA	...	...	11,238
Special forfeiture fund – EPIC construction	...	...	4,000
1994 adjustment for non-ceiling workyears	...	44	...
1994 appropriation as anticipated	5,649	5,720	737,238
Adjustments to base:			
Adjustments in permanent positions and workyears	(241)	(239)	...
Internal reallocation of existing resources	(93)	(93)	...
Transfer from General Administration for Mail Management	...	...	118
Mandatory increases:			
1995 pay raise	...	...	4,698
Within-grade increases	...	...	4,733
Foreign allowance	...	...	188
Accident compensation	...	...	162
FTS 2000	...	...	2,263
Employee data and payroll services	...	...	62
Acquisition training	...	...	63
Distributed Administrative Support (DAS)	...	...	580
Lease expiration costs	...	...	1,417
General pricing level adjustments	...	...	4,742
Locality pay	...	...	2,766
Total, mandatory increases	...	...	21,676
Decreases:			
One less compensable day	...	...	(1,288)
General Services Administration (GSA) Rent	...	...	(8,237)
Non-recurring transfers:			
HIDTA	...	...	(11,238)
Special forfeiture fund – EPIC construction	...	...	(4,000)
Total, decreases	...	...	(24,763)
1995 base	5,315	5,388	734,269
Program changes:			
Locality pay absorption	...	...	(2,768)
Administrative savings	...	...	(7,787)
	...	...	(10,555)
1995 estimate	5,315	5,388	723,714

Drug Enforcement Administration
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Pos.	WY	Amount
Transfers to and from other accounts:			
1. Transfer to Diversion Control Fee Budget	(241)	(239)	...
This is a technical adjustment transferring all positions and workyears related to drug diversion control to the Diversion Control Fee Budget. In addition, an object class redistribution was necessary to align all personnel compensation resources with the positions in the DCFA, and all non-personnel compensation resources with the $15,000,000 in the S&E budget. This transfer of 241 positions and 239 workyears leaves the S&E Drug and Chemical Diversion Control Decision Unit with 66 positions, 66 workyears and $21,937,000.			
2. Internal Reallocation of Existing Resources	(93)	(93)	...
This internal reallocation of 93 positions, 93 workyears, and $6,600,000 in existing resources provides necessary funding for Targeted Kingpin Operations (TKO), such as linguist support, laboratory clean-up, laboratory equipment replacement base and maintenance of the upgraded computer systems at the El Paso Intelligence Center.			

Decision Unit	Decreases POS.	Decreases WY	Decreases ($000)	Increases ($000)
Domestic Enforcement	(12)	(12)	($769)	$4,000
Foreign Cooperative Investigations	(7)	(7)	(381)	
State and Local Task Forces	(4)	(4)	(218)	
Intelligence	(29)	(29)	(2,220)	450
Laboratory Services	(5)	(5)	(424)	2,150
Training	(6)	(6)	(423)	
Research, Engineering, and Technical Operations	(2)	(2)	(109)	
ADP	(3)	(3)	(212)	
Management and Administration	(25)	(25)	(1,846)	
TOTAL	(93)	(93)	(6,600)	6,600

	Pos.	WY	Amount
3. Non-recurring Transfers:			
HIDTA	...	...	($11,238)
Special Forfeiture Fund - EPIC Construction	...	...	(4,000)
4. Transfer from General Services Administration for Mail Management	...	...	118
The Department received the Office of Management and Budget's approval to convert the Justice Management Division (JMD) mail operation to Working Capital Fund (WCF) activity. As a result, the funds are being transferred from JMD-Appropriated to the Offices Boards and Divisions and Bureaus based on current contract usage. The funding will provide each component with the resources to reimburse the mail operation once it becomes a WCF operating activity in 1995. The mail operation will provide direct administrative support for services such as mail referral, bulk, mail delivery, and mail and messenger service.			
Mandatory Increases:			
1. 1995 pay raise	...	...	4,698
This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $4,698,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($3,311,000 pay and $1,387,000 benefits = $4,698,000).			

564

	Pos.	WY	Amount
2. Within-grade increases. This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $3,506,000 for pay and $1,227,000 for benefits.	...	...	$4,733
3. Foreign allowances. Allowances for Government employees in foreign areas are determined by the Department of State (DOS). The requested increase of $188,000 provides five percent over the obligations of $3,753,000, which is projected for 1994.	...	...	188
4. Accident compensation. This increase reflects the billing provided by the Department of Labor for the actual costs in 1993 of employees' accident compensation. The 1995 amount will be $162,000.	...	...	162
5. FTS 2000. During the development of the 1994 budget, the Office of Management and Budget decreased the funding for FTS 2000 based on the General Service Administration (GSA) projected rate decreases that were to amount to anywhere between 10 and 35-percent. GSA current projections, based on our fiscal year 1993 actual charges show that these rate decreases did not occur. Therefore, an increase of $2,263,000 is required to meet the Department's commitment to GSA.	...	...	$2,263
6. Employee data and payroll services. Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. A 10-percent increase is needed to stay current with inflation, the increased use of the National Finance Center (NFC), and the continuing level of systems support by the Finance Staff. This request supports the completion of component conversion to the Personnel/Payroll System operated by NFC, as well as the continuing receipt of system services from NFC. An increase of $62,000 will be required in 1995.	...	...	62
7. Acquisition Training. This increase represents the funds that will be needed to bring the current Level I-IV contracting officers into compliance with the Department's plan to implement OFPP Policy Letter 92-3 which mandates specific training requirements for acquisition personnel that allows them to perform their job. An increase of $63,000 will be required in 1995.	...	...	63
8. Distributed Administrative Support (DAS). Under the Foreign Affairs Administrative Support agreement an annual charge is made by the DOS for administrative support items. The amount of this charge is determined by the DOS. DOS advises that a 10-percent increase in foreign operations costs is anticipated. The increase of $580,000 is based on a 1994 base availability of $5,799,000.	...	...	580
9. Lease expiration costs. The Department has a large number of leases known to be expiring in 1995. In many cases the existing leases may be renewed but it is impossible to determine now how many and which ones will fall into this category. This increase includes costs for renovations necessary to occupy new space (costs for communications, wiring for automated systems, additional electrical outlets, etc.,) and excludes any increase in rent costs. GSA estimates that, historically, 50 percent of all expiring leases are renewed. Therefore, the requested increase of $1,417,000 includes 50 percent of the estimated relocation costs for known lease expirations.	...	...	1,417

	Pos.	WY	Amount
10. General pricing level adjustments..... This request applies OMB pricing guidance as of June 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	...	$4,742
11. Locality Pay..... The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, $8,305,000 in locality pay costs for three-quarters of the year will be absorbed as discussed in the Justification of Multi-Activity Changes exhibit. For 1995, full year costs totalling $11,073,000 must be absorbed and the impact of absorbing the 1995 increment of $2,768,000 is reflected as program decreases as shown on the Justification of Multi-Activity Program Changes exhibit.	...	...	2,768
Total, mandatory increases.....	...	...	21,676
Decreases:			
1. One Less Compensable Day..... This annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $940,000 for pay and $348,000 for benefits.	...	...	(1,288)
2. General Services Administration (GSA) rent..... GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested decrease of $8,237,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of the automated system, which uses the latest inventory data and GSA-provided rates.	...	...	(8,237)
Total, decreases.....	...	...	(9,525)
Total, adjustments to base.....	(334)	(332)	2,969

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Drug Enforcement Administration
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grade and salary ranges	1993 Actual		1994 Approp. Anticipated		1995 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III, $123,100	1		1		1		...	
Executive Level IV, $120,326	1		1		1		...	
ES-6, $115,700-120,326	4		4		4		...	
ES-5, $111,600-116,272	9		9		9		...	
ES-4, $107,300-111,592	35		34		34		...	
ES-3, $101,800-116,088	11		10		10		...	
ES-2, $97,400	1		1		1		...	
AL-3/F-$104,130 (Administrative Law Judge)	2		...		...		...	
GS/GM-15, $66,609-86,569	204		205		203		(2)	
GS/GM-14, $56,627-73,619	786		823		819		(4)	
GS/GM-13, $47,920-62,293	1,476		1,346		1,267		(79)	
GS-12, $40,298-52,385	1,122		775		631		(144)	
GS-11, $33,623-43,712	643		655		632		(23)	
GS-10, $30,603-39,783	6		2		2		...	
GS-9, $27,789-36,123	419		481		441		(40)	
GS-8, $25,159-32,710	191		177		163		(14)	
GS-7, $22,717-29,530	496		535		525		(10)	
GS-6, $20,443-26,572	224		206		146		(60)	
GS-5, $18,340-23,839	262		287		276		(11)	
GS-4, $16,393-21,307	54		65		63		(2)	
GS-3, $14,603-18,986	14		3		3		...	
GS-2, $13,392-16,643	1		8		8		...	
Ungraded positions	61		21		21		...	
1995 Pay Raise	...	...	...	...	...	$4,415	...	$4,415
Locality Pay	...	...	...	$11,073	...	$11,073	...	...
Total, appropriated positions	6,027	$266,390	5,640	$266,258	5,315	$266,329	(389)	($1,929)
Pay above stated annual rates	...	1,014	...	940	...	...	...	(940)
Lapses	34	1,320	(9)	(412)	(4)	(194)	5	218
Savings due to lower pay scales for part of year	...	(4,088)	...	(2,768)	...	(1,104)	...	1,664
Net full-time permanent	6,061	264,636	5,640	266,018	5,311	265,031	(384)	(987)
Other than permanent:								
Part-time permanent	11	315	10	264	10	263	...	(1)
Temporary employment	55	1,573	50	1,317	48	1,265	(2)	(52)
Other part-time and intermittent employment	22	629	20	527	19	500	(1)	(27)
Other personnel compensation:								
Overtime	47	2,292	47	2,377	47	2,314	0	(63)
Administratively uncontrollable overtime	756	36,966	757	38,282	756	37,219	(1)	(1,063)
Other compensation	78	3,604	78	3,945	78	3,840	0	(105)
Severance Pay		337	...	...	...	...	...	...
Total, workyears and personnel compensation	7,032	310,552	6,602	312,730	6,269	310,432	(388)	(2,298)
Average ES Salary		($107,505)		($109,411)		($109,411)		
Average GS/GM Salary		($44,276)		($46,237)		($48,401)		
Average GS/GM Grade		(12.00)		(12.00)		(12.00)		

Drug Enforcement Administration
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

	1993 Actual		1994 Approp. Anticipated		1995 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Other objects:								
11.1 Full-time permanent	6,061	$264,636	5,640	$266,018	5,311	$265,031	(329)	($987)
11.3 Other than full-time permanent	88	2,517	60	2,108	77	2,028	(3)	(80)
11.5 Other personnel compensation	883	43,062	882	44,604	881	43,373	(1)	(1,231)
11.8 Severance pay	...	337	...	...	...	...	...	...
Total	7,032	310,552	6,602	312,730	6,269	310,432	(333)	(2,298)
12 Personnel benefits		90,904		98,949		94,668		(4,281)
13 Benefits for former personnel		66		19		19		...
21 Travel and transportation of persons		25,452		30,469		29,564		(905)
22 Transportation of things		2,677		2,808		3,181		373
23.1 GSA rent 1/		55,300		65,812		62,211		(3,601)
23.2 Rental payments to others		14,617		5,930		6,607		677
23.3 Communications, utilities and miscellaneous charges		41,781		60,861		61,933		1,072
24 Printing and reproduction		1,311		1,719		1,694		(25)
25.1 Contracting Services		7,840		30,566		26,829		(3,737)
25.2 Other services		123,465		84,261		85,935		1,674
26 Supplies and materials		27,449		20,957		20,838		(119)
31 Equipment		42,169		23,914		19,469		(4,445)
32 Lands and structures		13,766		4,193		173		(4,020)
41 Grants, Subsidies, and contributions		49		...		...		...
42 Insurance claims		330		162		161		...
90 Other Unvouchered		...		...		...		...
Total obligations	7,032	757,730	6,602	743,350 *	6,269	723,714 **	(333)	(19,635)
Recovery of prior year obligations		(1,473)						
Unobligated balance, start of year		(24,059)		(10,112)		(4,000)		
Unobligated balance, end of year		10,112		4,000		4,000		
Unobligated balance lapsing		43		...		...		
Total Requirement		742,353		737,238		723,714		
Transferred from other accounts		21,094		15,238		...		
Relation of obligations to outlays:								
Total Obligations		757,730		743,350		723,714		
Obligated balance, start-of-year		143,653		61,043		203,098		
Obligated balance, end-of-year		(61,043)		(203,098)		(261,641)		
Adjustments in expired accounts		...		...		...		
Adjustments in unexpired accounts		...		...		...		
Outlays		762,868		621,295		665,171		

1/ Due to a technical adjustment in object classes between the Drug and Chemical Diversion Control Decision Unit in the S&E and the DCF, it appears that a mandatory reduction occurs.

2/This Object Class spread does not match the spread in the OMB MAX system due to late decisions by OMB. The Locality Pay Reprogramming is also not reflected in MAX.

Opening Statement

Mr. MOLLOHAN. We welcome for his first appearance before the Committee the Administrator of DEA, Mr. Thomas Constantine. Mr. Constantine, we welcome you here today and to your new responsibilities, and we look forward to working with you. Your biography will be made a part of the record, as will your written statement, and we would appreciate it if you would proceed with your oral statement. But first, if you would introduce the other person who is at the witness table.

Mr. CONSTANTINE. Don Quinn, who is the DEA's Assistant Administrator for Operational Support.

Congressman, I thank you for the opportunity. This is the beginning of my fifth week as administrator of DEA, and as you can imagine, it is a little hectic trying to learn all of the ins and outs of the agency.

Mr. MOLLOHAN. I can imagine.

Mr. CONSTANTINE. Let alone testifying twice, once with the Senate and once with the House on budget issues.

One of the things that I would like to briefly talk about, which is explored in more depth in my written statement, is the role that DEA plays in what I think is a critical period in American history as far as internal social stability. Given its responsibilities throughout the world and throughout the United States, DEA is a relatively small organization, a little over 7,000 people, of which 3,500 are sworn personnel.

DRUG INVESTIGATIONS

I would like to give you some sense of where the drug problem has gone and some of the organizations that we are investigating presently and the implications for government generally as well as the DEA. One of the major investigations that DEA undertook in 1991 involved one of the famous cartels, from Cali, Colombia, the Herrera organization. That investigation was run out of the New York City office of the DEA.

I was familiar with the investigation, both now as a member of DEA and previously as superintendent of the New York State police because it was an investigation that resulted from the efforts of the DEA, the New York City police department, and the New York State police. The profit margins and the organizational ledgers from that group, indicate that the Herrera organizations resources, were three times larger than the budget that DEA has presently.

More and more we are confronting these organizations, which through the money that they have available, have equipment for communications and transportation, making it very difficult for law enforcement. I also am a believer, despite the crime problem, that it is not time to be discouraged.

I tend to be an optimist. I know that this is an immense threat to us in America. I also know from the present fiscal situation in the United States, and also previous experience in State and local government, that money has to be spent wisely on these issues, and that it is difficult for us to anticipate all of the shifts that we are starting to see in the trafficking of narcotics, specifically a

major increase, again, whether it is cyclical or not I am not sure, in which heroin is returning to the scene in large amounts.

Yesterday I was in Detroit for the opening of a building named after an agent killed in the line of duty and spent time talking with the mayor of Detroit, and the police officials. They are seeing a tremendous increase in heroin traffic in the city of Detroit and I suspect other cities will soon follow with those problems.

VIOLENT CRIME STATISTICS

In my statement you will see something that I am vitally concerned about. It is after 34 years in law enforcement one of the reasons that I have not retired and have stayed and have accepted this position, and that is the belief that the violent crime in America at this particular point in time in our history has reached epidemic proportions. It has gone up nine times faster than the population.

In the State that I just left in 1960 there were 481 murders; in 1990 there were 2,600 murders, and the robberies in that State went from 7,000 to 120,000. A lot of that is directly related to the narcotics traffic and the specific point in time that I think we can all look at is in 1985 and 1986, because shortly before that, for the first time in a long time, there was some reduction in violent crime in this country, and many of us hoped for the return of stability and civility. That was the point when some demon had invented crack cocaine, which just took over this country like a fire storm.

As that appeared in 1985, the crime rate, especially homicides and robberies, starts to rise dramatically once again. I think what is of special implication for you and me and all of us in political or public office is the fact that a lot of this now is centered in the juvenile portion of our population.

JUVENILE CRIME STATISTICS

Previous to these events over the last five or six years, we knew that the average age of a burglar was about 19 years of age, an armed robber about 21 and the average age of a murderer, about 28 or 29 years of age. Since that point in time the homicide rate for people 15, 16, 17 years of age has gone up as much as 217 percent for 15-year-olds, and 150 percent for 16 and 17-year-olds. They are very much involved in the drug traffic. They also are a relatively small group of 15 or 16 or 17-year-olds in our society.

If you talk to people who are in private colleges throughout the country, they will tell you that it is sometimes difficult to keep the doors open for the numbers of students that are coming out of the high schools. However, that will change by the year 2000 as a phenomenon that will be known as the "echo of the baby boom" occurs. We will then have in this society a tremendous number of 15, 16 and 17-year-olds once again, and they have accounted for virtually all of the increases in violent crime over the last four or five years.

I am greatly concerned with what may occur in the year 2000 if there are not dramatic steps taken in American society. Often, unfortunately as we know, and I look at the papers this week in the Washington area, the victims are also young people. In fact, it is the leading cause of death for large populations of people in this country. They are especially hard hit. We have entire communities,

schools, parks, locations, which people do not use. People buy their houses because they are afraid of crime in one area or another. They choose schools for their children based on their fear of crime, whether it is perceived or real. They buy alarm systems for their houses, alarm systems for their cars, all to protect themselves and all of that to no avail as it turns out.

This is also coupled with a decline in drug use in, I think, the country in general after that disastrous period of time in the late 1960s, up until the late 1970s or early 1980s, in which drugs really took over our culture. There was a decrease in casual use, I think, as people became aware of the horror stories that were coming out of many locations. Now, in 1993 we see a 4 percent increase for the first time in 10 or 11 years. The DAWN Report, which deals with hospital room emergencies shows for the first six months of 1993 a 9 percent increase, and Secretary Shalala from Health and Human Services just a week and a half ago published a report that children were losing their fear of the dangers of drugs and what could occur.

INTERNATIONAL DRUG ENFORMENT

A lot of our problems are our own within this country. We have created them; we seem to have an insatiable appetite for this type of commodity. However, there are also international involvements, and DEA plays the primary role throughout the world in dealing with drug enforcement, whether it is in South America, the Mideast or the Far East. DEA has offices in key locations and areas of the world. That is a big drain on resources, and also, as we get into these major investigations, we find out, especially in the area of cocaine presently, and I suspect the new era of heroin will be the same way, in which the whole structure of the organization is controlled from the top down from one group, usually foreign sources.

There are tremendous language requirements for these investigations. It are very expensive for the DEA to conduct the investigations, if we want to make the major seizures and arrest the people who are involved in that productivity. DEA presently has a kingpin strategy that has been recognized by the President in his drug policy strategy, and I think that it is starting to produce some successful results.

DRUG GANGS

We are also looking at what more we can do domestically with task forces, with State and local government, and especially trying to do something about the violence that is occurring as is related to the drug traffic. Most of the cities in this country, in fact, most of the towns and villages now are affected by this. I first heard about in a meeting with law enforcement personnel and chiefs around the country about seven or eight years ago was people from the West Coast and the Midwest talking about the gangs from Los Angeles moving Eastward and North and taking over large cities for drug traffic.

I was somewhat cynical that something that massive could occur so quickly. However, I now believe that that is true; having seen the same circumstances occurring on the East Coast. I know in

New York State that 40 to 50 percent of all of the drug traffic in the upstate area as far west as Buffalo, and the attendant violence are New York City drug gangs that have moved into those areas. They have moved as far south as Baltimore and smaller cities such as Lancaster, Pennsylvania.

All of these are things that the DEA is trying to work with in what is a tight fiscal situation. The last three or four years have been very difficult. What we are trying to do is look at the budget and find those ways that we can continue with our mission and meet the mandates of some of the fiscal problems, and at the same time very honestly recognize that this is a problem if not out of control in some areas—and I think it is out of control in some areas—soon will be unless we are able to address it. Thank you.

[The biographicial sketch and the prepared statement of Mr. Constantine follow:]

THOMAS A. CONSTANTINE
Administrator
Drug Enforcement Administration

Thomas A. Constantine was appointed Administrator of the United States Drug Enforcement Administration (DEA) by President Bill Clinton on March 11, 1994. When selected by President Clinton to head the nation's lead agency in drug law enforcement, he had been serving as Superintendent of the New York State Police.

Mr. Constantine was the first Superintendent of the New York State Police in over 30 years to rise through the ranks, being appointed the tenth Superintendent by Governor Mario Cuomo in December 1986. As Superintendent, he oversaw a statewide law enforcement agency composed of nearly 4,800 uniformed and investigative members and civilian support personnel. During his tenure as Superintendent, the State Police was honored in 1992 as the first recipient of the Governor's Excelsior Award, an award of excellence of continuing quality of service to the people of New York State.

He began his law enforcement career in 1960 as a deputy with the Erie County Sheriff's Department. In 1962 he entered the New York State Police as a uniform trooper and served as a Narcotics and Major Crime Investigator, Sergeant, Lieutenant in Charge of Recruiting, Captain of the Statewide Organized Crime Task Force, Major, Troop Commander, Staff Inspector, and Assistant Deputy Superintendent.

In addition to receiving numerous awards for his contributions to his profession, Mr. Constantine holds the position of fourth Vice President of the International Association of Chiefs of Police (IACP). In this capacity, he holds a policymaking position in an international organization of police executives dedicated to raising the level of professionalism of law enforcement worldwide.

Mr. Constantine was born on December 23, 1938 in Buffalo, New York. He holds a Bachelors Degree from the State University College at Buffalo and a Masters Degree from the State University of New York at Albany, where he was selected as outstanding graduate student in 1986. He also has completed academic work in the Doctoral Program.

Mr. Constantine is married to the former Ruth Cryan and has six children and six grandchildren.

DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION

STATEMENT OF ADMINISTRATOR
THOMAS A. CONSTANTINE

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

It is an honor to appear before you today in my first Congressional hearing since assuming the position of Administrator of the Drug Enforcement Administration. I feel that as we discuss DEA's FY95 budget request, it is appropriate to talk to you today about our nation's drug problem, its relationship to violence, my concerns about the future of our nation's youth, and DEA's role in dealing with all of these situations.

Before I begin, I'd like to say a few words about what DEA is up against. As an organization of slightly more than 7,000 people---of which 3400 are special agents---DEA faces a formidable challenge. Drug organizations, operating both domestically and internationally, use sophisticated communications equipment the Federal Government can only dream of purchasing. We are facing the reality that our technological capabilities may never equal those of the traffickers. Drug organizations have simply outgunned, outmanned and outspent their Federal competitors. This is clearly illustrated by the fact that a single drug organization, the Herrera group operating in New York, made an annual profit three times the size of DEA's entire worldwide budget.

While this is a sobering fact, I don't think we should be discouraged. Knowing that these are tight fiscal times and that our nation is confronting important issues, we need to spend our money wisely on effective programs. DEA is doing everything possible to be one

step ahead of the trafficking organizations and to anticipate shifts in priorities and trafficking patterns. We will continue to match wits with the most ruthless, innovate and resourceful criminals around the world.

Mr. Chairman, you and the other Members of the Subcommittee are aware of how serious our crime problem is. However, every once in a while we all need to be reminded of the continuing relationship between violent crime and drugs.

The rate of violent crime has increased 371% since 1960. It has increased nine times faster than the increases in population. In 1960, an average of 666 violent crimes were reported daily; by 1991, this daily number was over 5,200. According to the FBI's Unified Crime Report, 9,140 people were murdered in the United States in 1960; in 1992, almost 24,000 Americans were murdered. The murder rate per hundred thousand population almost doubled in that time period. Aggravated assaults are also way up: in 1960 there were just over 130,000 assaults in America; in 1992, there were 1.1 million. And another dramatic statistic: in 1960, a murder was committed every 58 minutes; in 1992, a murder occurs every 22 minutes.

After increasing significantly since 1960, homicide rates declined for all age groups in the early 1980's. Then, in 1985, it again increased, a jump attributable to the appearance of crack cocaine that year and the involvement of juveniles in the commission of violent crime. The explosive nature of the crack trade, and the physiological effects that crack has on the human body, resulted in an escalation of violence in our nation's urban areas and rural parts of our country.

The links between drugs and violent crime are clear. A recent study showed that 48% of all homicides are drug-related. National crime victimization surveys in 1989 and

1990 revealed that over 2 million crimes are committed by offenders under the influence of drugs or alcohol. This figure represents 35% of the total number of violent crimes recorded in those surveys.

While the effect of violent crime on all of us is a major concern, I am most worried about the impact that drugs and crime are having on our children. Increasingly, children are both the perpetrators and victims of violent crime. Juveniles and young adults are committing violent crimes in the United States at higher rates than ever before even though demographic studies indicate that teenagers are a smaller percentage of our population than at previous times. Crime and demographic studies anticipated that the violent crime rate would drop since there were fewer teenagers. It did not. Between 1985 and 1991, arrest rates for criminal homicide increased among 13 and 14 year old males by 140%, among 15 year old males by 217%, among 16 year old males by 158%, among 17 year old males by 121% and among 18 year old males by 113%. In short, since 1985, there has been a 24% increase in the homicide rate, and a 36% increase in overall violent crimes mainly because of the upsurge in violence among young boys. If you took 15-17 year old males out of the crime statistics, there would be only a 1% increase in the violent crime rate since 1987. With the continuing easy availability of drugs, and with demographic trends indicating that a larger teenage population is on the way, I am concerned that unless we take some dramatic steps, we will be facing five to ten more years of rising juvenile violent crime.

Teenagers are also the population group hardest hit by crime: even though they comprise only 14% of our population, teenagers are the victims in three of ten violent crimes. The firearm death rate among teenagers 15-19 increased 77% from 1985 to 1990. Homicide is the leading cause of death among black Americans aged 15 to 34. Over half

of all violent crimes against teenagers ages 12-19 occur in school buildings, on school property or on the street. And five percent of American teens, without jobs and not in school, have no productive role in society.

When we were young, we did not have to worry about guns and gangs in our schools. But children today are living in a state of siege. Recent drug use and drug-attitude statistics are reason for deep concern as they indicate that after years of steady progress in reducing drug use among young people it is again up. For example, use of drugs other than marijuana among high school seniors increased between 1975 and 1981, and then decreased significantly every year until 1992. Drug use by seniors in high school increased by 4% between 1992 and 1993.

In 1993, significantly fewer students also felt that there is great risk associated with drug use. Even crack cocaine is not perceived as a great risk by some students. Last year, 42.9 percent of high school seniors had used an illicit drug at least once by the time they reached their senior year in high school.

The use of marijuana was up among 8th, 10th and 12th graders last year. So was the use of inhalants by eighth graders.

These facts are deeply disturbing, but I can assure you that the Drug Enforcement Administration is committed to addressing the violence and degradation of life that drug trafficking has spawned.

DEA is designated as the lead drug law enforcement agency in the nation, and as such has a major role to play in the identification and dismantling of drug trafficking organizations around the globe. For the past twenty years, DEA has contributed to the

worldwide efforts to reduce drug trafficking and to separate traffickers from their ill-gotten gains. Currently, we have a presence in 50 countries and in all the major cities of the United States.

We cannot forget that most of the violent drug-related crimes which are committed in the United States have direct links back to the ruthless drug cartels which operate around the world. For every child in Chicago or Detroit or New York who is caught in the crossfire of rival gangs, a cartel leader grows rich off the misery of the inner-city. For every mother that has lost a child to drugs, another mother in Cali, Colombia gives a son over to the drug lords who run the cocaine trade. The cartels' profits create a great loss in America.

Who are these major drug traffickers we are battling every day? They are the heads of tightly controlled organizations capable of processing and transporting thousands of kilos of cocaine to the United States each year. They run multi-national corporations with discipline and secrecy, laundering billions of dollars to conceal the source of their profits. They are ruthless drug lords who have franchises in every major city, operating in a structure of cells to prevent one element of the organization from knowing what the others are doing. They are the prototypes of organized crime in the 1990's, combining the business acumen of the Mafia and the cell structure of terrorist organizations. We should never overlook the fact that although these cartel operators portray themselves as businessmen, their only business is peddling death to Americans.

After studying the operations of the cocaine cartels for several years, DEA devised, in 1991, a strategy to target the vulnerabilities of these organizations. This approach is called our "Kingpin Strategy" which systematically identifies and seeks to disrupt all aspects of the cartels' operations. We have targeted 12 drug organizations operating around the

world---eight cocaine and four heroin---which are responsible for 80 percent of the cocaine and most of the heroin entering the United States. The main goal of this strategy is to exploit the cartels' drug processing capabilities by reducing the flow of chemicals, disrupting their transportation and communications networks, and dismantling their financial infrastructure.

Through our top to bottom approach, we have been able to thwart one organization alone from shipping in over 56 metric tons of cocaine. Our actions have also resulted in the loss of $70 million for another major trafficking organization.

Because of its global nature, and because intensive Title III wire intercepts of international and domestic communications are at the heart of this approach, the strategy is expensive. Title III's have proven to be our most effective tool for getting inside the inner workings of the cartels, but these require numerous personnel many of whom are capable linguists with security clearances.

DEA is also committed to dismantling the trafficking networks operating within our borders. These criminals have a direct impact on the lives of Americans in Omaha, Scranton, Charleston and Albany. They are responsible for the violence and killings in our own backyard. And while they may not have the sophistication and resources that the Colombian cartels have, they are just as important to us because they operate on the same streets our children take to school, and they live in the same communities as we do.

For years, we have been dealing with violent criminals who are involved in the drug trade, and we have an important role to play in our nation's current efforts to reduce violence on the streets of America. As Administrator of DEA, I have assured the Attorney General that we will work side by side with our partners from State and local law

enforcement to address this violence. DEA has joined INS and the U.S. Marshals Service in a commitment to work with the U.S. Attorneys in each Federal judicial district to develop and implement a comprehensive investigative strategy targeting violent crime. DEA is fully committed to this policy and I have asked all of our Special Agents in Charge to meet with their Federal, State and local counterparts to assess the violent crime problem in their areas and to submit joint investigative plans by mid-April.

Our DEA field divisions are already working on violent crime through our domestic program, but I think we can and must do more. We are building on our successful State and local task force program which combines the jurisdictional expertise of our counterparts with the investigative expertise of Federal law enforcement. DEA operates 103 Task Forces which are composed of over 1,500 State and local officers.

Throughout the country, DEA is working with State and local enforcement agencies to eradicate marijuana and dismantle marijuana trafficking organizations, identify and eliminate heroin trafficking organizations in the United States, prevent the diversion of licit drugs, arrest those trafficking in dangerous drugs, seize traffickers' assets, and help localities in High Intensity Drug Trafficking Areas address their specific drug trafficking problems.

We are also working to free public housing residents from the tyranny of the local traffickers who have been able to operate with impunity. And DEA's Demand Reduction program in our nineteen field divisions is working with school children, local police, parents and community organizations to empower communities to deal with the problems of drug abuse and trafficking.

In short, DEA is committed and able to positively impact on the quality of life in the United States by facing the tough challenge of dismantling drug networks which are the

source of the drugs and violence which have eroded our communities. But I don't want to leave you with the impression that this will be easy, or that it will happen overnight.

DEA will continue to work with the flexibility and innovation that are the hallmarks of our organization, knowing full well that we must work within tight budget limits. For Fiscal Year 1995, DEA is requesting 5,315 positions (2,576 Special Agents), 5,388 workyears, and $723,714,000 through its direct appropriation. In the Diversion Fee Account, which is funded through fees paid by registrants, DEA is requesting 588 positions (12 special agents), 584 workyears, and $43,431,000.

In addition to the resources requested through direct appropriation and the diversion fee account, DEA is also requesting 1, 000 positions (779 Special Agents), 987 FTE, and $95,899,000 in the 1995 consolidated budget request for the Organized Crime and Drug Enforcement Task Force (OCDETF) program. OCDETF resources are contained in the Department of Justice Organized Crime Drug Enforcement appropriation and will be allocated to DEA on a reimbursable basis.

These requests contain no enhancements. There are decreases for administrative costs savings and locality pay absorption. These reductions will require DEA to assess ongoing programs and reprioritize enforcement initiatives. This will include realignment of Headquarters activities and reassignment of special agents currently performing headquarters responsibilities to field assignments. Less important programs will be eliminated and others scaled back, but DEA's essential programs will be maintained. In some cases, DEA will be required to internally reprogram funds in order to support priority programs.

I would like to thank the Committee for your ongoing support for DEA's programs, and I would be happy to answer any questions you might have.

Mr. MOLLOHAN. Thank you. You know, I am extremely impressed with your ability to articulate the problem, particularly doing it off the top of your head, maybe referencing just notes. And I was impressed, the other day when we had an opportunity to visit, with your ability to do that.

I must say I cannot reconcile this testimony here today or yesterday, which is a compelling argument with regard to the problem with your budget request. And I think the Committee understands that it is a great problem and you described it in significant detail here today, but I don't sense that your budget request is in any way commensurate with the increasing problem which you have described.

You have alluded to some strategies, drug kingpin strategy and it would have to be a pretty good strategy to address the problem you have described without additional requests for budget increases. You allude to the necessity of task forces in this fight. We already have task forces. And you have requested, if I am reading your request correctly, a reduction of some 85 FTEs. So I would like to give you an opportunity to speak to that.

You are new here, as head of the Drug Enforcement Administration. It is the frontline in our fight against crime, because everybody, if I am hearing it accurately, is suggesting that the crime wave that we are experiencing is in large part grounded in drug trade, and you are coming in here asking for fewer people to man that frontline. It really doesn't jive.

Did you fight for additional resources and personnel, or do you have some really imaginative way to redistribute these resources to be a whole lot more effective than your predecessor's? When you think about your service here—and obviously you have—you have to think in those terms, so that at the end of your term you have brought to this job the resources not only that you have, but the ones that you have fought with to be effective.

Mr. CONSTANTINE. Well, I take responsibility for this budget, because I am the Administrator, but a lot of the plans and the preparation for this were made long before I was even ever thinking about being Administrator of the DEA. I can't tell you how I would have addressed that, because I wasn't in the same circumstances as my predecessor. I do know that government is caught in a squeeze, and I think heads of agencies, whether it is DEA or the New York City police or the FBI, have on one side this pressure of a tremendous fiscal problem that government is trying to address, and as an administrator or a chief executive, you try to live with that and try to live within that budget and try to be cooperative with everybody who is in the budget-making process.

However, I have to tell you that I think one of the positions of someone who leads a law enforcement agency—and I always believe that my constituents were the victims of crime, that is the way I have always looked at life; I suspect I will not change—the best I can do is make people aware of what I have seen for 34 years, and I would guess that I have had as close a hand to the pulse of the area of violent crime and its impact as anybody in Fed-

eral Government, coming from such a long time in State and local governments, to make them aware of that.

I have experienced something similar to this before, Congressman, in New York State which went through a disastrous fiscal situation for five years. Some questioned, including the Governor, my rationale for ever leaving that job because they now have a $1,500,000,000 surplus in the State, and I was not around to see that.

In going through those five years you had to be imaginative, and you did the best that you could. Did it address the problems at a level of which victims would like it addressed or citizens? Probably not. But as a manager, you have to make some difficult decisions and you live with them; you just can't give up and walk away from the problem. What you do is adjust your resources and priorities and try to put those in places where you are going to get the best bang for your buck.

Given the drug problem as it is and has become, given the violence that is presently occurring, it is going to be difficult to do. There is no doubt about it, and you probably will not be able to do all of the things that you would like to do. But if you are given a certain amount of money and you are told this is what you are going to do, it is up to you as an administrator to try to make that work.

AGENT TRANSFERS

Mr. MOLLOHAN. They tell us every day here, you are only going to get so much money through formula programs for your congressional district, and then you sit down and you think real hard how to represent the best interests of your constituency to do what you are elected to do. And I think if you aren't in there fighting hard for it, particularly when you have scarce resources, and the kind of organization which you are a part of, it is going to be very difficult.

I understand you don't have enough money to transfer agents from one jurisdiction to another jurisdiction in the country, under any kind of reasonable transfer policy; is that correct?

Mr. CONSTANTINE. That is correct. I am told that the amount of money that is available in the pool to transfer people—and there were planned mobility policies to move people around for both training purposes, and also for potential integrity issues so that people are not familiar always with just one particular area, or may have a level of expertise that would help you in one area or another—that the amount of money left in that pool, either for this year or for the coming year, would not be able to do the things that are in the policy for the agency.

PERSONNEL REDUCTIONS

Mr. MOLLOHAN. Well, you can understand how a committee such as this would be surprised that the frontline organization, the Federal organization fighting drugs, which is the number one problem in the country, would be a bit surprised at their request to reduce FTEs by some 85. Can you understand that surprise?

Mr. CONSTANTINE. Well, I can understand it, if the people who were making the decisions at this point in time made their best ar-

guments, and that was the money that was available, and then you lived within——

Mr. MOLLOHAN. I am sorry, I didn't understand you.

Mr. CONSTANTINE. If the decisions on this budget, as they were being made, and the discussions that went into them and the arguments that were made, if the end result of that process, and having gone through that a number of times in my life, there is a decision that this is the amount of money that is available to Government to be able to do these types of things, then yes, you have to make those hard decisions. They are very uncomfortable, but I don't know what recourse you have as head of an agency other than to make your arguments and to use your best logic and rationale.

Mr. MOLLOHAN. Give me a mission, give me the resources, I will do the job. Give me a mission and don't give me the resources, it is going to be awful tough to do the job. That is going to be the bottom line at the end of the day. What was your request to OMB?

Mr. CONSTANTINE. $729 million.

Mr. MOLLOHAN. And of the $729 million, what would have been your situation with regard to FTEs? Would you have been adding or still losing FTEs?

Mr. CONSTANTINE. Most of the FTE positions for special agent, the enforcement positions, had been reduced in the two or three previous fiscal years. There were only 10 additional agent positions lost in the fiscal year 1995 budget for Organized Crime Drug Enforcement Task Forces (OCEDTF).

Mr. MOLLOHAN. That is a lot, isn't it?

Mr. CONSTANTINE. Ten?

Mr. MOLLOHAN. Yes. That is a lot of agents.

Mr. CONSTANTINE. I think it is the cumulative effect of 271 that people have pointed to. But 10 is out of the OCDETF budget and not out of the S&E budget.

Mr. MOLLOHAN. How many special agents did you have on board at the end of fiscal year 1993?

Mr. CONSTANTINE. Fiscal year 1993—3,639.

Mr. MOLLOHAN. And how many on-board agents does your 1995 budget request assume?

Mr. CONSTANTINE. 3,445.

Mr. MOLLOHAN. Where do those agents come from? Are they administrative or supervisory or are they field-type agents?

Mr. CONSTANTINE. I think they were taken by strict attrition and retirement wherever the vacancy occurred, and with the hiring freeze, that is where the hole was to be filled. What I have done in the past, and I suspect would be doing with the DEA, is that the last place that you would like to cut is the agent who is in a frontline position, the so-called street agent who is doing surveillance, making arrests or seizures or developing information for cases. That should be the priority to try to save as often as you can, and then you look inside at support positions and intelligence and administration.

There comes a point in time, and from what I can see in a brief period of time with DEA, it reminds me a little bit of the Marine Corps in that it is a very lean agency for support staff. No matter how lean, that is where you have to look and to make your accommodations there. After you have done that, and if that is not

enough to meet the target goal, then you would have to reduce at the street level assignments.

PROGRAMMATIC EFFECT OF REDUCTIONS

Mr. MOLLOHAN. What programs are being most affected by these reductions?

Mr. CONSTANTINE. One of the most difficult right now, I would suspect, is the amount of finances that you need for language skills. I visited our Texas offices about two weeks ago, where there appear to be a number of vacancies in the smaller offices because there were a number of people had retired. That is the trouble with attrition, you really have no control over where the vacancy is going to occur.

We will be going into, probably June 1st or 2nd, a much more elaborate look at the so-called downsizing, and we will include the input from field supervisors as well as headquarters supervisors to find the most appropriate way to do this and reach the staffing objectives.

Mr. MOLLOHAN. You may be so new to this job that you are not really able to speak to that with certainty. Is that correct? I mean you can't identify——

Mr. CONSTANTINE. Exactly what positions? No, I couldn't.

Mr. MOLLOHAN. What programs are being reduced as a result of these reductions?

Mr. CONSTANTINE. Don tells me that most of the financial cuts taken now have been in travel and equipment, but I think the Congressman is asking if people are not there, which programs would be affected.

Mr. MOLLOHAN. Are you taking additional cuts in the travel budget?

Mr. QUINN. Yes, sir.

Mr. MOLLOHAN. Is that travel and transportation?

Mr. QUINN. It includes our PCS. It also includes conference travel and all administrative travel. Basically, we are back to bare bones in administrative travel and cutting equipment bases back.

As far as agent positions, we are still over in agent positions.

Mr. MOLLOHAN. Over what?

Mr. QUINN. We are about 170 agents over strength right now, over what we are authorized for. So in answer to that question, we really haven't taken that cut yet. We will be taking that gradually, as the Administrator explained, through attrition. At this time it is affecting programs across the board. But shortly we will be making a decision on how we are going to downsize, and then we will have to make the call on where exactly those cuts will come from.

Mr. MOLLOHAN. But you haven't done that?

Mr. QUINN. No, sir. That is in the process.

KINGPIN STRATEGY

Mr. MOLLOHAN. Okay. Talk about this drug kingpin strategy a bit for me, if you would, Mr. Director. If I understand your testimony, it is the centerpiece of your mission.

Mr. CONSTANTINE. That is correct. Internationally, it is.

Mr. MOLLOHAN. Is this a different focus or has this been a strategy that the DEA has been pursuing?

Mr. CONSTANTINE. It started with that Herrera investigation, really. The cocaine traffic in the country is different from the formerly traditional heroin traffic which had a number of layers of different groups and organizations, all of whom played a role. These organizations start at the very top with individuals in the cocaine traffic, usually in Colombia. They are responsible for the, in essence, growing of the coca leaf; if not the transportation to Colombia presently where it is changed from coca leaf into either paste or into cocaine.

Then, they have actual transportation departments within their organization who are responsible for transshipping that product from Colombia, usually to one of the transshipment points in Central America. Often presently, as a route of traffic, it winds up in Mexico over land and then once into Mexico across our borders into the United States. When it hits the United States, and it still is controlled in a hierarchy from those same individuals, it then goes to the major cities, usually Houston, New York, Los Angeles, Miami.

Operating in those cities are cells of Colombian nationals who have been sent here to operate certain parts of that drug operation. For example, in New York City, many of the organizations' cells are based in Queens, New York. There will be, within that organization—it is very compartmentalized, one group of people whose sole responsibility is either to acquire phones and communications systems or to steal cellular telephone codes so that they can run up calls.

Another group is responsible for finding safe houses or stash houses for either the movement of the drugs or the return of the money, which is equally as difficult for them, and another group is responsible for the rental cars. So it is very much a controlled operation that we know about from intelligence and from the seizure of records on past investigations.

The thrust of the investigation is to not stop at a low level, but to move that up continually to the next level and try to attack the entire structure, which would include the principals. This is sometimes difficult in that they are out of our control in a foreign country. That is a question I am sure that will have to be answered some time in the future. But their transportation, the seizing of that, the communications system, as much of their money and property as you can possibly seize, and you get that all in one.

That is a strategy that has been very effective with the old traditional organized crime, which many people thought that we would never be able to overwhelm in this country. In the early part of my career, they were thought to be invincible. But I think Bobby Kennedy was one of the first people to show that they were not invincible, and that programs could be put together that would be effective. That is basically what the kingpin strategy is. It is the same strategy used against traditional organized crime. It is very labor-intensive. It tends to be very expensive.

The cartels have a tremendous amount of equipment and the skills to avoid detection. DEA has been successful a in number of these cases already. We have been able to identify virtually everyone of the major principals in these organizations and probably have indicted a substantial number of them and the people that

work for them, and have seized massive bank accounts. The latest one we are working on is in Switzerland and looks to be about $190 million just from one group that was depositing in bank accounts in Switzerland. That is the kingpin strategy, in essence.

BYRNE GRANTS

Mr. MOLLOHAN. You may be in a unique position to comment on the Byrne formula grants and the Administration's initial proposal to eliminate them. Tell us how effective you think that program is and your feelings about whether it should be continued or not.

Mr. CONSTANTINE. It was extremely effective in New York State.

Mr. MOLLOHAN. The formula program?

Mr. CONSTANTINE. Yes. The formula programs in New York State for State government and local government were extremely effective. The grant is named after Eddie Byrne, a great symbol to the people of New York State, because if you recall, that was the beginning of the major crack cocaine organizations and violence issues. A witness from Guyana who was going to provide information on two of those major organizations. He was under guard by the police department, and one of the young patrolmen guarding the house was Eddie Byrne. They contracted his murder right out of prison and people walked right up next to the marked New York City police car and just blew his brains out, just to send a signal to government that they were untouchable by anybody.

Ben Ward, who was then the Commissioner, did a heck of a job, I think, in reacting to that with his TNT programs. People here in Congress helped to put together grants which later became the Byrne grants. Virtually, every major task force at the State and local level operating in New York State operating under the governor and his director of criminal justice was funded by the Byrne grants.

There was a program funded for the New York State police, which turned out to be vital for local government, in which the money was provided by grant money for 100 extra troopers. Governor Cuomo talked with us about it, and the troopers were specifically assigned to do undercover assignments around the State, from four locations and they came from different backgrounds and experiences, and they were loaned out to local governments, so that if a sheriff or a chief or a district attorney saw an immense problem that was occurring, they would request this unit; they would come in and make all the buys and then major arrests and sweeps.

So from my experience in my previous position and the position I know of the Governor, they were very effective.

Mr. MOLLOHAN. So I hear a pretty ringing endorsement for the Byrne Formula Grant Program.

Mr. CONSTANTINE. They were very effective in my previous position, no doubt about it.

Mr. MOLLOHAN. Well, I think my concern about your resource request generally—your request for a reduction in FTEs given the kind of responsibilities you have—are going to be echoed by other Members of the Subcommittee, and I am now going to yield to another member of the Subcommittee, the Ranking Minority Member, Mr. Rogers.

WAR ON DRUGS

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Constantine, welcome to the Subcommittee for your first hearing that you have had with us. I had a chance to visit with you privately last week and I enjoyed that very much. I am very much impressed with your credentials and your experience and background and with the chore that you are now undertaking. I think you will do well. I think you have the right mindset for it, and if we can just get you the right equipment and manpower, I think we can make a dent.

Now, looking at your budget request, let me ask you, have we won the war on drugs? Is this thing over?

Mr. CONSTANTINE. No, not really. I was talking before, I have some concerns about both the violence in society caused by drugs, and I think some very alarming indicators about the kind of reappearance of the use of drugs in our society. No, I don't think we have. I would say, Congressman, that what I always said publicly, it took us 30 years to get into this situation; it will probably take us at the best, 15 to 20 years of really consistent effort to get out of it.

AGENT REDUCTIONS

Mr. ROGERS. Well, I was asking a facetious question; it wasn't a serious question, because we all know that we have not only not won the war, we are losing the war. But in your budget request, you are again, and this sounds like there was a broken record, because I have said the same thing to the FBI and to the U.S. Attorneys and to the Attorney General, and all the other law enforcement agencies are being slashed by a White House that says they are going to stamp out drugs and crime, and while they say that on television, they come into these committees and cut agents, and this is the first time, I think that is right—well, the last two years, that we are actually seeing agents taken off the street, even while we are seeing a resurgence in the—in heroin, for example, and not to mention marijuana, cocaine at the rest.

At the end of 1993, DEA had 3,639 special agents on board. Your request would only allow 3,391 special agents. So in the last two years, DEA will have lost 248 special agents. That is almost a 7 percent decrease in two years. Are you pleased with that?

Mr. CONSTANTINE. Well, one of the things I explained was I am responsible for this budget as the Administrator. The budget-making process, it is my understanding, went on previously, and my supposition is—and I think I am probably fairly close to correct—that government, including the DEA and the FBI and everybody else, is presently caught in this squeeze—the squeeze being the increase of violent crime and problems on the one hand, and a difficult financial situation on the other. As I had mentioned to Congressman Mollohan, having gone through that previously in State government, I know what that experience is like. It is very difficult.

I suspect somebody said this is the only amount of money that is available, and once those decisions are made you try to make the best usage of the funds that are available today.

Mr. ROGERS. I understand what you are saying, but your request to OMB was not all that much. You only requested $5.2 million more than they gave you, right?

Mr. CONSTANTINE. That is correct.

Mr. ROGERS. Well, I hear you when you say we got tight budgets, but we have people like the Antitrust Division has no problem getting big increases. The Commerce Department is getting a 14 to 15 percent increase over last year. Various departments, agencies within Justice, including general legal account, which is bureaucratic headquarters, is getting an increase. So bureaucratically they are doing well, but the agents on the streets are not doing so well.

The last time I heard, that is where the crime is. And you are fresh off the street, and you know what is needed out there. I don't think you can come in here and tell us that you could not use more agents. You could use more agents, couldn't you?

Mr. CONSTANTINE. I think you could always use more agents, Congressman. No doubt about that.

Mr. ROGERS. Can you effectively do your job with fewer agents than you had last year?

Mr. CONSTANTINE. Well, I am not sure of that yet. What we would like to do is take a look at what we have available to us, where we can reduce positions administratively without affecting the street operation. I can't tell you yet what the impact of that will be. I can only tell you that I will try my best to take any cuts or to work with what is there and that the last place that I will make the cuts, but there will probably still be some, will be people in frontline assignments.

BUDGET GUIDANCE

Mr. ROGERS. Now, you weren't here last year. But for the current fiscal year, fiscal year 1994, DEA requested $955 million. That is $220 million more than you requested. In one year's time, what has changed in DEA's estimate of what their needs are?

Mr. CONSTANTINE. I really can't answer that, Congressman. I don't know what decisions went into that or why there was such a substantial change. I might get some advice here in a second, though.

Mr. QUINN. Essentially, what has changed is the budget guidance that DEA receives.

Mr. ROGERS. From?

Mr. QUINN. From OMB.

Mr. ROGERS. Yes, okay, now we are getting to the bottom of it, finally. I thought it would take forever.

Mr. QUINN. But, of course, it is similar budget guidance that is received in other bureaus throughout the Department of Justice, and in other agencies. And DEA, as all of the other agencies, is expected to do its part in terms of the deficit reduction goal of the administration.

Mr. ROGERS. I wish they would take that same goal to things like the Commerce Department and all of the so-called counseling programs. But while they are getting on television talking about that, we are going to stamp out crime and get tough on criminals and put them away, three strikes and you're gone. All of a sudden we

see the cops being jerked off the street and their guns taken away from them. And the hypocrisy of that, to me, is just shocking. I am not talking to you gentlemen.

I am talking to the OMB. Of course, they are not here, are they? Anybody here from OMB? Well, I appreciate their interest.

Well, just let the record show that for the current fiscal year, the beginning of—at this time last year, the DEA requested $955 million for the current fiscal year. We weren't able to provide it. We did provide better than we can this time.

Now, a year later, your request is $230 million less. I know what you are saying. Even though your request to OMB was only $729 million, I am positive that OMB, before you requested it said, hey, by the way, don't ask for more than X numbers of dollars because we are not going to give it to you and we don't want to be embarrassed, so ask us for a modest sum. I know how these things work. But I am deeply saddened that we are slicing the very people that make crime go away and put drug pushers behind bars. And I can't believe that this administration talks the game they do and then comes in here and does what they do. And I think more people are going to hear about that. I certainly hope so, and I will be one of the people trying to tell them about it. But you are going to get more money than you asked for, Mr. Director. I hope you can use it well.

Mr. CONSTANTINE. I will find a way.

Mr. ROGERS. Commerce is only cutting 29 people. The whole Department of Commerce is cutting 29 people, total. And you are being asked to cut how many people? Well, you are going to cut 248 special agents, not to mention support staff.

Mr. CONSTANTINE. Ninety-three in fiscal year 1995. The other cuts you talked about were in 1993 and 1994.

KENTUCKY RESOURCES

Mr. ROGERS. Yes. Now, let me ask you about some Kentucky questions. In 1993, the DEA devoted $861,000 to drug efforts in Kentucky. Your budget request would only devote $394,000 in 1995, a 54 percent cut at a time when the marijuana patches are overwhelming us. Growing like weed, as they say.

Now, how in the dickens can I go home to Kentucky and tell those folks, hey, they are slicing your law enforcement budget 54 percent. We have got sheriffs that are spending their own money in helicopters trying to spot these patches and guiding the State police in there, and they are all working on their free time. How can we do this, Mr. Director? I am sure Kentucky is typical of the other States.

Mr. CONSTANTINE. I would have to look at the figures on eradication. Yesterday I was in Detroit and talked to the people that were stationed out of Kentucky. They had advised me that Kentucky was always one of the top three or four States in the eradication program. I will have to take a look at that and see why it was cut and see if there can be a resubmission or an adjustment in that.

Their concern was that the Department of Defense cut out military overflights, if you will give me the opportunity to look at that, I will get back to you.

Mr. ROGERS. Okay.
[The information follows:]

DOMESTIC CANNABIS ERADICATION/SUPPRESSION FUNDING FOR THE STATE OF KENTUCKY

The amount of Domestic Cannabis Eradication/Suppression Program (DCE/SP) funding provided to the state of Kentucky for 1994 totals $510,000. This is $30,000 more than the 1993 level. DEA estimates that the 1995 DCE/SP funding will remain at the 1994 level.

MARIJUANA GROWN IN KENTUCKY

Mr. ROGERS. Well, as you have suggested, Kentucky is one of the best States for eradication of marijuana, and it is also one of the top producing States of marijuana. I think only Hawaii produces more. Most of that is grown in my district. A lot of people think tobacco is the biggest cash crop in Kentucky. Let me correct you. There is one better, and that is marijuana. And we have got some communities that are being overwhelmed by the drug culture in rural Kentucky, and I am here to tell you, I will not stand for it, Mr. Director, especially by an administration that wants to cut your budget and cut the budgets of people out there trying to cut those patches out and therefore restore their independence.

So this is the one thing I am going to raise my hackles on. So you are going to get more money than you requested, I will guarantee you that.

Mr. CONSTANTINE. Thank you.

Mr. ROGERS. Thank you.

Mr. MOLLOHAN. You are appreciative. Thank you, Mr. Rogers. Mr. Moran?

HEROIN

Mr. MORAN. Well, I will see you and raise you more. I think they ought to get more, too. I didn't realize, though, that pot was Kentucky's major cash crop. I thought it was tobacco. That is interesting. Amazing. That is a lot of money, and it is primarily in your district?

Mr. ROGERS. Yes.

Mr. MORAN. Why did they choose your district? Well, we are supposed to ask the witnesses.

Let me talk about another cash crop in the drug area that I—in fact, I am much more concerned about than marijuana, and that is heroin. We have a guy by the name of Peter Gruden in charge of the Washington metropolitan area, did a terrific job at a crime summit that we had. One of the things that he said that was very troubling was that heroin is coming in now, particularly into the Washington and Baltimore area. It is much purer, and it is much cheaper.

I remember back in the 1960s and 1970s when heroin was a major problem. We are still dealing with people that became addicted to heroin, giving them methadone and so on. But there is little institutional memory on the part of the young people who are now getting involved in the use of heroin. And so I am very much concerned, because it is a deadly drug. Fill us in on what is happening in terms of the heroin market and where it is coming from and what you foresee in the future.

Mr. CONSTANTINE. Peter was right on the money, in that we are seeing a tremendous growth in the activity, in the metric tons that are being grown and shipped through, based on our intelligence information. Simultaneously, countries that formerly trafficked in cocaine, especially Colombia, Peru or Bolivia are now starting to grow poppies for heroin production and it is showing up on the market.

I do have institutional memory, because when I was working narcotics on the street, heroin was the primary drug, and there was an awful lot of overdose deaths. That was a very low purity by comparison. The average amount of purity of heroin being used on the street at that time was 10 or 15 percent.

The heroin that we are now seeing being sold is as high as 70 to 72 percent and the purchase price is becoming very available with a lot of very skilled people, people from Nigeria, very much involved, a lot of involvement of people from China, and now the Colombian cartel which has established network for the cocaine traffic to move heroin, and it is still more expensive than cocaine, so it has a higher profit margin. It is becoming a drug of choice once again in cities like Detroit, Cleveland, Buffalo, and I would believe that it is one of those drugs that is going to emerge very strongly.

I don't think that it will displace cocaine; I think it is going to wind up supplementing the present cocaine problem, which just adds to the issues, and if we have a generation of young people who treat heroin like they treated cocaine in the mid to late 1970s as a recreational substance that would not be addicting and that would not cause them or us any problems, I think that would be a huge mistake. But I think you are right, people sometimes forget the horrors of the events 20 or 25 years ago, when this same problem was with us.

ILLEGAL DRUG USE

Mr. MORAN. Since this is your first time before the committee, and incidentally, I am very pleased that you are in the position that you are in. I think it is an excellent choice, and particularly since you have street savvy, I think we need that perspective.

Many people have argued that—to go back to what we were talking about with Mr. Rogers, that marijuana really ought to be legalized, because it is not as dangerous a drug, in fact, as tobacco, that far fewer people die of marijuana than they do of tobacco. But the prevailing argument seems to be, and I am inclined to agree with it, that it is an entry level drug, that that is the entre to a much more deadly world of harder drugs, and that if it were legalized, you would have all the more particularly young people trying it and then it is a much closer step to using far more dangerous drugs like cocaine and heroin.

But since this is your first appearance before the committee, would you share with us your attitude about the difference in some of the drugs, and if we are going to continue to cut back on the resources to combat the drug traffic, then we need to figure out how else we can deal with the menace that we face today, if it is not going to be through law enforcement, and you might get the im-

pression that it is not, if we continue to cut back on the resources that law enforcement needs to combat drug trafficking.

Mr. Constantine?

Mr. CONSTANTINE. Well, just let me make one present and one historic comment. First of all, the substance itself has changed greatly over the last 20 or 25 years, through horticulture, I guess you could say, abilities or science. That aspect of marijuana that causes the high, causes the potential addiction, which leads to a gateway situation is called tetrahydrocannabinol. It is THC. The content of that has gone up in the last 20 or 25 years about 10 times that which was available to people in the mid to late 1960s.

Now, let me just institutionally, and I think it is probably a result of so many years experience in watching this thing happen.

Having grown up in a neighborhood in the city of Buffalo where I had known about heroin, known about heroin dealers and saw the destruction and then went into police work, I could not believe what I was seeing in that period of time in which the middle and upper class people who had material things that I never dreamed of having as a kid or even at that stage as a young married person with a lot of kids, were now experimenting with drugs and talking like drug dealers, and it was one grand party.

The naysayers were saying, look, these are gateway drugs, these are problems, these will lead to a drug culture. And if you remember, anybody who said that many times was criticized greatly as talking about the domino theory, and it all got political and philosophical. I mean you could see this thing was going to blow up. But as you talked about it, obviously people enjoyed doing it, and you were really kind of throwing a damper on everybody's activities.

Mr. MORAN. Smoking pot now, you are talking about.

Mr. CONSTANTINE. Yes. They said, well, it is the same as alcohol or whatever it might be. You have to remember something. When somebody is going to take a substance, whether it is cocaine, heroin or marijuana presently, they are doing it for a specific purpose. They are doing it to either escape a situation or to produce some type of euphoric state that I am sure, never having done it, probably feels good to some people at some point in time with little concern over the impact in the future.

I mean, I think today, all of those false prophets who said we would not wind up with a drug culture and that we would not wind up with a drug problem and that people could freely experiment with these substances without fear of further addiction, I don't know where all of those people have gone. And you remember them; you may be younger than I am, but you recall those people who said look, let each person do whatever they want to do, it will have no effect on this society.

LEGISLATION OF DRUGS

I think it has had a tremendous effect on society, if you drive down Washington Heights in New York City and you see the devastation that drugs have done to an entire community and the tremendous social and health cost assigned to it. So I think anybody who talks about drugs as a legalization issue, I mean to me it is a preposterous idea, and what I said Friday at my swearing in is unfortunately a lot of these people tend to be very wealthy. They

are in an elite circle and the big damage is done to poor people who don't have all of these options, and they get their name in the paper and they talk about it and they never have to worry about the problems, the burglaries, the robberies and if their child or relative gets involved in it, they have all the money to try some type of a private rehab program.

A lot of families don't have that alternative. So I would suggest strongly against any of those things. I don't know how the government could be in one store on one street in whatever the city selling drugs over the counter to people knowing that they are an addictive substance, knowing that there is a level of tolerance, knowing that a year from now that person is going to want four times as much of that substance as you are selling today.

Mr. MORAN. Does that happen with marijuana as well?

Mr. CONSTANTINE. Yes. It has become, because of the THC content, addictive and that people like the euphoric state. I don't think it is as bad as crack cocaine, but I think it is a gateway drug, in addition to its own properties for its own tolerance or addictiveness. So when you do that and you have all the problems as a result of it, then in the next corner you have a government that has to fund a health care center to rehab somebody who doesn't want to go to work all day or doesn't want to go to school, just wants to sit on a stool and either smoke dope or be nonproductive.

I mean I never could understand how people could justify that paradox. And if you recall, we in essence, in many States decriminalized marijuana, if that was going to make the problem go away and the problem didn't go away. It has become exacerbated. So I would say that it is not a good idea.

Mr. MORAN. Thank you. Could I cover one second topic here?

Mr. MOLLOHAN. Sure.

WASHINGTON METROPOLITAN DRUG TASK FORCE

Mr. MORAN. That is the Washington Metropolitan Drug Task Force. As you or anyone living in the Washington metropolitan area can see, there isn't a day that goes by that we don't have horrible murders and over 80 percent of them are related in some way to drugs. So we clearly need some special enforcement going on. We have a Washington Metropolitan Area Drug Enforcement Task Force that has been funded out of this committee for the Washington-Baltimore area.

Do you plan to continue that commitment to that task force?

Mr. CONSTANTINE. Yes.

Mr. MORAN. I wanted to get that on the record.

Mr. CONSTANTINE. Yes, we feel in DEA those task forces are vitally important. The State and local police departments bring a great deal of street experience and knowledge of the area to the situation. The DEA brings to many of their national and international connections and the blend works very well.

As you know, and I think we are looking at in DEA how we can move even more in this direction in helping localities with domestic violence, part of that task force here in the Baltimore-Washington area has been very effective in cleaning up a lot of the drug-related homicides with the REDRUM aspect of the task force. I think that

is an important role for DEA to play now and maybe even more in the future.

Mr. MORAN. So you would see this task force as being a permanent task force under DEA?

Mr. CONSTANTINE. Yes, sir.

Mr. MORAN. Okay. Very good.

DRUG CHEMICALS

Mr. MOLLOHAN. Tetrahydrocannabinol, is that what you said?

Mr. CONSTANTINE. Yes.

Mr. MOLLOHAN. That is the addictive——

Mr. CONSTANTINE. That is the property of the marijuana plant that produces the effect, and that is why hashish is usually all the more potent as they take that substance out. But what has happened is because of the ability, especially in the United States, to grow the substance, whether it is—now often we have these hydroponic laboratories, underground with watering and false sunlight, have been able to increase that substantially over the last 10 or 20 years. I would have said it was a dangerous substance for what it was going to do to us in 1968; it is significantly more dangerous in 1994.

Mr. MOLLOHAN. And that is because of that addictive quality?

Mr. CONSTANTINE. Yes.

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES

Mr. MOLLOHAN. Can we talk about the drug task force a little bit? We understand that the Attorney General is considering proposals to abolish the Organized Crime Drug Enforcement Task Forces, and to shift the funds that go to support that effort. Are you aware of that proposal, and could you give the Committee the benefit of your views with regard to it?

Mr. CONSTANTINE. I am not sure that is true, first of all. I was asked that question last week in a meeting of 20 U.S. Attorneys from throughout the United States who were acting in an advisory capacity to the Attorney General and they mentioned the same question.

DEA's position on the Organized Crime Drug Enforcement Task Forces is that they are an asset in many of the investigations that are undertaken. It provides—it is not the classic task force with all of the sometimes negative controls that local government tends to bridle at being dragged into all of the Federal systems. It is more of a funding system for specific investigations to bring people together.

In fact, the DEA contributes between 80 and 85 percent of all of the cases to the OCDETF program. We receive about 20 percent of the funding or 25 percent of the funding that comes from there, but even that amount is substantial. It was my grasp in the room in talking to those U.S. Attorneys from throughout the United States that they were very supportive of the OCDETF program. Not having been involved in any discussions in whether or not it was going to be eliminated or not, I gave them my same experience that I have given you.

I think it is presently an asset, unless somebody can find some strategy that equally supports the same activities——

Mr. MOLLOHAN. Something to replace it?

Mr. CONSTANTINE. Yes.

Mr. MOLLOHAN. Okay. Thank you. Mr. Rogers?

Mr. ROGERS. That is what I was going to follow up on and I am glad the Chairman did. As I understand it, DEA's requesting 1,000 positions connected to OCDETF, which includes 779 special agents in the OCDETF program, and I understand we will have a separate hearing on that when we finish with your hearing here. Is that your understanding of what the request is?

Mr. CONSTANTINE. That is correct. Every year there are a number of positions for the DEA which are funded out of the OCDETF budget.

Mr. ROGERS. Have you found in your experience in New York the OCDETF machinery was helping?

Mr. CONSTANTINE. It was very helpful in the northern district and in the western district of the State. In New York City there is a joint task force that I mentioned before of the New York City police department, the DEA and the New York State police which was, in my opinion, having looked all around the country, probably the most effective task force that I had ever seen, and it still is to this day. So task forces can be a tremendous asset when they work well.

Mr. ROGERS. So you are saying that you don't think there is anything to the rumor that OCDETF would be on the way out?

Mr. CONSTANTINE. Well, my knowledge of it is limited to a similar question proposed to me by U.S. Attorneys from throughout the United States, so I don't think there is any policy there that they are aware of, because they weren't even specific themselves.

Mr. ROGERS. Thank you and good luck to you.

Mr. CONSTANTINE. Thank you.

Mr. MOLLOHAN. Mr. Moran?

HIGH INTENSITY DRUG TRAFFICKING AREA

Mr. MORAN. I think you have covered most of it. I am concerned about the DEA downsizing as well. It just doesn't make any sense, and we talked about it at length.

This high intensity drug task force, drug trafficking area. Is there any overlap between the Washington Metropolitan Drug Enforcement Task force and that?

Mr. CONSTANTINE. I have not heard of any; I am not familiar with the inner workings of the group. I think it will be an asset as a funding mechanism for some of the investigations between Baltimore and Washington, which is a corridor of a lot of traffic around here.

Mr. MORAN. That is fine. I just want to make sure that that doesn't supplant what the Drug Enforcement Task Force is doing.

Mr. CONSTANTINE. There is no intent to do that, but I will check on it if you need further clarification.

Mr. MORAN. I just want to make sure that sometimes people are going to come up and say well, we got this, so we don't need this. I want to make sure——

Mr. CONSTANTINE. No, that is not the intent. I can promise you that.

[CLERK'S NOTE.—The following clarification was provided subsequent to the hearing:]

WASHINGTON METROPOLITAN AREA DRUG TASK FORCE

The funding currently allocated to the Washington Metropolitan Area Drug Task Force, appropriated by Congress and transferred through the Bureau of Justice Assistance (BJA), was a one-year funding mechanism to lay the groundwork for this task force.

The task force consists of 16 Federal, state, and local law enforcement agencies working together in the Metropolitan Washington area. DEA has proposed that the funding for the new Baltimore-Washington High Intensity Drug Trafficking Area (HIDTA) permanently support the ongoing operations of this task force, which conforms to the HIDTA concept of cooperative law enforcement.

Mr. MORAN. Thank you, Mr. Chairman. Thank you, sir.

Mr. MOLLOHAN. Mr. Constantine, thank you for your testimony here today. We will have a few questions to submit for the record and we would appreciate your answering those and we look forward to working with you.

Mr. CONSTANTINE. Thank you very much.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN ALAN B. MOLLOHAN

Crime Prevention

QUESTION: Mr. Constantine, with your diverse background and knowledge of law enforcement, and knowing that we have poured tens of billions of dollars into law enforcement and have doubled our prisoner populations over the past 12 years, can you say we are winning the war on drugs and violent crime?

ANSWER: No, we have not won the war on drugs. It took our nation 30 years to get into this mess and it will probably take years of consistent effort to get out of it. This, of course, has been compounded by the onset of crack cocaine. In the mid-1980s, someone introduced crack cocaine to our society, which has added to the element of random violence that we are seeing today.

Initially confined to our urban centers, crack, violence and juvenile homicides have spread to smaller communities and towns, threatening our nation's social fabric. This is a daunting challenge for law enforcement, but I am an optimist and believe we can have an effect.

QUESTION: What is the solution, do we pour billions more and throw more people into prison, or do we try something new?

ANSWER: First, and perhaps most importantly, we must strengthen the relationship with our law enforcement partners at the State and local level. As Superintendent of the New York State Police, I have witnessed first hand the effectiveness of our combined efforts. In upstate New York, local police departments have participated in joint investigations with Federal agencies, funded through the Organized Crime Drug Enforcement Task Force program. In New York City, the State Police, the New York Police Department, and DEA have forged an effective task force, spanning almost 25 years.

Second, DEA must maintain its presence in key overseas outposts. As we know, sophisticated drug organizations operate their far-flung business enterprises from places such as Cali, Medellin, Hong Kong, and Bangkok. With the re-emergence of heroin, the international threat is now coming from Southeast and Southwest Asia, as well.

Third, we must develop a demand reduction program that educates our citizens in the dangers of drug abuse. Enforcement programs are not enough. The Administration's drug strategy addresses both sides of this equation.

Finally, in this era of fiscal constraint, it is my task as Administrator of the DEA to use the available resources in the most effective means possible, emphasizing those programs that work and eliminating those that do not.

QUESTION: Do you think this strategy to develop a comprehensive approach of law enforcement enhancements as a short-term solution to our crime problems, coupled with crime prevention programs as a long-term solution is reasonable and responsible?

ANSWER: We must remain steadfast in our commitment to investigate and prosecute those individuals and organizations responsible for drug trafficking. I do not agree with those who suggest that this is the time to consider some form of legalization. This would be tantamount to turning our backs and simply giving up on a problem that is affecting large segments of our society.

However, we must also recognize that there is a strong demand for these substances in our society. We must thoroughly educate our nation's citizens in the social ills that result from drug abuse, and we must give young people meaningful alternatives to the false allure of the drug culture.

I think we can work towards these ideals, even in an era of fiscal constraint. All sectors of the Federal Government are being asked to make sacrifices in achieving the Administration's deficit reduction goals, and DEA is no exception. There is little doubt that these funding reductions will have some impact on DEA. However, with a measured approach that emphasizes effective programs, I think we can be successful.

Cooperation

QUESTION: Coming from your position as head of the New York State Police, you were in a position as a neutral observer to witness the interaction of our Federal law enforcement agencies. From your perspective how would you rate the level of cooperation and coordination between the various Federal agencies?

ANSWER: The lack of cooperation, rivalry, and petty jealousies between Federal law enforcement agencies has been widely reported in the media over the past several years. Attorney General Reno has pledged to ensure cooperation between Federal law enforcement agencies, and I share her commitment. These agencies share many common goals and in a period of dwindling resources it becomes even more important to share resources, technology, and information.

QUESTION: How about the relationship between those agencies and State and local law enforcement?

ANSWER: In my experience as Superintendent of the New York State Police, the relationship of Federal agencies with State and local law enforcement entities was quite good. In upstate New York, State and local police in conjunction with Federal law enforcement personnel have successfully pursued violators under the auspices of the Organized Crime Drug Enforcement Task Force programs. Similarly, the New York

Drug Enforcement Task Force, which includes DEA, the State Police and the New York City Police Department, has been responsible for many of DEA's highest level investigations.

QUESTION: Recently, the Attorney General established an Office of Investigative Agency Policies designed to improve cooperation and coordination between Justice Agencies. Do you see this as a step in the right direction?

Director Freeh was appointed as its first Director, and one of his first decisions was to establish a unified approach for drug intelligence based on the DEA's system. Did this get the initiative off on the right foot as far as the DEA is concerned?

Do you think it is critical to bring the Treasury Department agencies under this Office?

ANSWER: The Attorney General's decision to establish the Office of Investigative Agency Policies (OIAP) is a commendable step in eliminating the unnecessary rivalry between law enforcement agencies. Director Freeh has formed an executive level working group from the investigative agencies within the Department of Justice to work on issues of mutual interest.

Although the OIAP concept is relatively new, the initial reaction within DEA has been positive. Inasmuch as I am rather new to my position, I am not comfortable in commenting on the benefits of including law enforcement agencies of the Treasury Department under the umbrella of the OIAP. Perhaps this matter could be best addressed by Director Freeh and other interested parties after a sufficient period of operations under the current scheme.

Organized Crime Drug Enforcement

QUESTION: I understand the Attorney General is considering a proposal to abolish the Organized Crime Drug Enforcement (OCDE) Task Forces and to shift related funds to the participating components. Are you aware of this and do you believe this is a reasonable proposal?

ANSWER: DEA is aware of a proposal to abolish the Organized Crime Drug Enforcement Task Force (OCDETF) program. The Department is regularly reviewing options for improving the Federal law enforcement and prosecution capacity, especially in cooperation with State and local counterparts. The Department will examine OCDETF along with all other programs from this perspective and will make recommendations based on the best and most productive approaches possible. DEA will work with the Department and other law enforcement officials to determine the most efficient and effective means to increase coordination through State and local law enforcement. DEA supports the OCDETF program because of the many successes realized, in cooperation with other Federal agencies, due to the OCDETF coordination process. It is believed that OCDETF has accomplished a great deal and that

there are major lessons to be learned from this program.

QUESTION: Mr. Constantine, as the former head of the New York State Police were you personally involved in one of these Task Forces, and if so, do you believe it fostered improved cooperation and coordination between agencies?

ANSWER: During my tenure as the Superintendent of the New York State Police, New York State police officers were involved in OCDETF cases as a result of working on investigations with DEA. Due to the cooperative nature of OCDETF cases, the New York State police officers worked with special agents and officers from other Federal, State, and local agencies. The OCDETF program fostered this cooperative atmosphere and produced well coordinated cases.

QUESTION: Do you believe that cooperation between agencies is at a point that they no longer require a financial incentive in the form of reimbursement from the OCDE task forces to ensure that cooperation?

ANSWER: DEA does have a policy of paying State and local officers for overtime earned while working on OCDETF cases and could not afford to pay this overtime without the supplemental OCDETF funding. However, DEA does not believe that State and local agencies participate in OCDETF cases because of financial incentives. The OCDETF program fosters cooperation among Federal, State, and local agencies in case development.

Across-the-Board Cuts

QUESTION: There have been several attempts over the past year to mandate across-the-board cuts or general reductions against certain types of expenses as a way of offsetting additional spending. For example, an amendment was offered to the LA Earthquake Supplemental to rescind funds for travel, transportation, printing, other services, and supplies and materials.

Are such reductions as harmless as the amendment's proponents claimed?

Can you provide any specific examples of how such a cut would impact your mission?

Do the reductions of $7.8 million for "Administrative Savings" and $2.8 million for "Locality Pay" in your 1995 request come out of the aforementioned types of expense?

ANSWER: The identified cuts may have some impact on the effectiveness of DEA operations. Over the past two fiscal years, as part of the President's deficit reduction initiative, DEA has absorbed approximately $16 million in cuts within the identified object class categories, of which $7.8 million will be absorbed in 1995.

While DEA will continue to examine all practices to deter-

mine other efficiencies, further cuts to these areas may begin to strain the agency's capacity to meet critical mission requirements. For example, through the imposition of deficit reduction measures, DEA has already eliminated nearly all administrative travel. As a consequence, further reductions would begin to affect some operational travel. Reductions in funding would affect DEA's investigative capacity by decreasing funding for contract linguist support, critical to the agency's investigation of Class I drug offenders.

The reduction of $7.8 million for "administrative savings" were associated with the object class 2000 series (e.g., travel, permanent change of stations, rent, and utilities). The locality pay increases; however, will be offset by reductions in payroll due to attrition.

QUESTIONS SUBMITTED BY CONGRESSMAN HAROLD D. ROGERS

Domestic Marijuana Eradication

QUESTION: DEA operates a Domestic Cannabis Eradication/Suppression Program which coordinates efforts of Federal, State, local police, and the National Guard to wipe out marijuana plots and indoor growing operations. This has been an important program to Kentucky in their efforts on public lands, particularly in the Daniel Boone National Forest.

Let me ask briefly about your marijuana eradication program. It is a matter of considerable interest to me because: 1) consumption of domestically-grown marijuana is growing; and 2) a lot of it is grown in my district. In fact, the vast majority of plants grown in Kentucky were in my district.

Will you be continuing this important program in 1995? If so, how much of your request is devoted to this program?

ANSWER: The Domestic Cannabis Eradication/Suppression Program (DCE/SP) will remain at the 1994 base level of $5 million. Prior to 1993, DEA's base amount for this program was $10 million. Conference language in DEA's 1993 appropriation required that all State and local overtime be paid from the Bureau of Justice Assistance (BJA). At that time, DEA estimated that 50 percent of the DCE/SP funding was dedicated to overtime payments for State and local officers. Therefore, $5 million was reduced from DEA's base. Recent experience has shown, however, that overtime payments actually account for only approximately 30 percent of the total DCE/SP. This figure fluctuates each year. Consequently, the reimbursable agreement between DEA and BJA allowed DEA to bill for some nonovertime DCE/SP expenses.

There may be a slight decline in the current level of support to the States, since total State and local overtime resources will be reduced from $16,000,000 to $14,000,000 and transferred from BJA to the Assets Forfeiture Fund in 1995.

TUESDAY, APRIL 19, 1994.

ORGANIZED CRIME DRUG ENFORCEMENT

WITNESSES

LYLE D. NEWTON, DEPUTY DIRECTOR, ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE EXECUTIVE OFFICE

H. EUGENE HAUSLER, ASSOCIATE DIRECTOR FOR FINANCIAL MANAGEMENT, ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE EXECUTIVE OFFICE

JOHN GNORSKI, ASSISTANT DIRECTOR FOR FINANCIAL MANAGEMENT, ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE EXECUTIVE OFFICE

STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. MOLLOHAN. We will now hear testimony concerning the Organized Crime Drug Enforcement (OCDE) appropriation. The Department requests $369,943,000 for this account for fiscal year 1995. These funds will then be used to reimburse Federal agencies which participate in the OCDE Task Force operations. We will insert in the record at this point the OCDE fiscal year 1995 budget request.

[The justification follows:]

Department of Justice
Interagency Law Enforcement
Organized Crime Drug Enforcement
Estimates for Fiscal Year 1995
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ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES

Interagency Law Enforcement
Organized Crime Drug Enforcement
Summary Statement
Fiscal Year 1995

OVERVIEW

The Organized Crime Drug Enforcement (OCDE) Task Force Program is requesting for 1995, a total of 4,051 reimbursable positions, 3,995 reimbursable workyears, and $369,943,000. This includes 2,236 agents and 512 attorneys. The request amounts to a reduction of -150 positions (including 56 agents and 12 attorneys), -150 workyears, and -$12,438,000 below the 1994 appropriation anticipated.

In 1983 and 1984, the OCDETF Program operated as a single appropriation reimbursing agencies for their participation in the Program. Beginning in 1985, the resources were appropriated directly to the participating agencies. Pursuant to Section 1055 of the Anti-Drug Abuse Act of 1988 (P.L. 100-690), a single appropriation request for the OCDE Task Force Program was again established beginning in 1990. The agencies participating in the OCDE Task Force Program are now reimbursed for their involvement in the initiative from the single OCDE appropriation. An important element of the OCDE Program is the State and Local Overtime Program. From 1990 through 1992, funding for this initiative was included in this appropriation. In 1993 and 1994, funding in the amount of $5,300,000 to continue this program has been appropriated to the Office of Justice Assistance. Through a reimbursable agreement, the OCDETF Executive Office continues to provide the full range of financial and programmatic management for this effort.

BACKGROUND

The OCDE Task Force Program consists of a nationwide structure of thirteen regional Task Forces which utilize the combined resources and expertise of its member Federal agencies in cooperation with State and local investigators and prosecutors to target and destroy major narcotic trafficking and money laundering organizations. A multi-faceted attack on highly sophisticated drug cartels requires unique capabilities combined into a comprehensive and orchestrated investigation and prosecution. Thus, for example, by uniting the physical and electronic surveillance abilities of the Federal Bureau of Investigation (FBI), the drug intelligence data base and drug investigative skills of the Drug Enforcement Administration (DEA), the tax and financial knowledge of the Internal Revenue Service (IRS), the Bureau of Alcohol, Tobacco, and Firearms (BATF) skills in weapons investigations, the resources of the U.S. Customs Service for tracking international movements of people and funds, the intelligence gained from the U.S. Coast Guard maritime activities, the Immigration and Naturalization Service's (INS) expertise in tracking and deporting illegal aliens, and the U.S. Marshals Service's (USMS) authorities, the full force of the drug enforcement community is brought to an investigation. The OCDE Task Force Program further broadens this base with the local intelligence resources of State and local law enforcement agencies and adds to the impact by utilizing attorney's skills at the earliest stages of investigations. The U.S. Attorneys, and the Department of Justice Criminal Division and Tax Division contribute resources to the prosecution of OCDE Task Force Program cases.

The goal of the OCDETF Program is to destroy drug trafficking and money laundering organizations. The most effective means of accomplishing this task is to remove the leadership of these criminal organizations from positions which enable them to conduct such enterprises. Removal or neutralization of

the criminal organization infrastructure is the second major tool used by OCDETF to attain this goal. Four objectives continue to guide the selection and conduct of investigations:

- To target, investigate and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises, including large-scale money laundering organizations;
- To promote a coordinated drug enforcement effort in each Task Force region and encourage maximum cooperation among all drug enforcement agencies;
- To work fully and effectively with State and local drug law enforcement agencies; and
- To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions.

ACCOMPLISHMENTS

The OCDETF Program strategy has been able to immobilize drug trafficking and money laundering organizations by prosecuting and incarcerating organization members or, where appropriate, extraditing or deporting them; and by divesting them of their power through forfeiture of organization and individual assets. The OCDETF Program has attacked organized drug trafficking from the top, instituting in-depth investigations leading to the prosecution and conviction of the highest level drug traffickers. The Program's member agencies, acting in concert with numerous State and local agencies, have disabled many major drug trafficking organizations by removing the key individuals who provided these organizations with leadership, capital, and expertise.

The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigations; its use of financial investigations to reach otherwise invulnerable targets; and its unprecedented success in fostering collaboration among law enforcement agencies from all jurisdictions have demonstrated the efficacy of OCDETF's operational model. It has been demonstrated that the most effective strategy for combating major illicit drug traffickers is that of the OCDETF Program. From its inception late in 1982 through the end of 1992, the Task Forces:

- initiated 5,105 investigations, resulting in 14,208 indictments;
- convicted 34,542 members of criminal organizations;
- sentenced 24,989 persons to prison; and
- seized cash and property assets totaling nearly $2.6 billion.

Illustrative of OCDETF's success is that 84.6% of all indicted defendants are convicted.

THE 1995 PROGRAM ACTIVITIES

The 1995 request for the OCDE Task Force Program consists of four budget activities incorporating the resources of eleven member agencies. The budget activities are Drug Law Enforcement, Drug Intelligence (Regional Drug Intelligence Squads (RDIS)), Prosecutions, and Administrative Support. Resource requests for 1995 for these activities are summarized below.

Drug Law Enforcement

This activity provides resources for the investigations conducted by the thirteen regional OCDE Task Forces. The total resources requested in 1995 for this budget activity are 2,930 reimbursable positions (2,172 agents), 2,893 reimbursable workyears and $277,458,000. This represents 75.0 percent of the total funding request for the OCDE Task Force Program in 1995.

The focus of Task Force investigations is on the organized criminal enterprise leadership involved in drug trafficking and the breakup of the infrastructure of organized criminal enterprises. This includes the seizure and forfeiture of assets of organized criminal enterprises involved in narcotics trafficking. This activity provides resources to reimburse law enforcement agencies in the Department of Justice, Department of the Treasury and the Department of Transportation for investigative activities related to the OCDE Task Forces.

Drug Intelligence
(Regional Drug Intelligence Squads (RDIS))

The RDIS request for the OCDE Task Force Program in 1995 totals 176 positions (64 agents and 71 intelligence analysts), 176 workyears, and $13,598,000. This represents 3.7 percent of the total OCDE Task Force Program funding request for 1995.

In 1993, Congress determined that consolidation of funding for RDIS under the auspices of the OCDETF Program would help achieve better integration of intelligence related to organized crime drug activities. Funding of $13,734,000 was transferred from the DEA's and FBI's direct budgets to the OCDE appropriation, and an additional $2,000,000 in funds was also made available.

Prosecutions

The prosecution activity request for the OCDE Task Force Program in 1995 totals 932 reimbursable positions (512 attorneys), 913 reimbursable workyears and $77,335,000. This represents 20.9 percent of the total OCDE Task Force Program funding request for 1995. This funding is utilized for the U.S. Attorneys, the Criminal Division and the Tax Division for their investigative support and prosecutorial efforts toward OCDE Task Force cases. Litigation efforts are targeted selectively on the criminal leadership involved in drug trafficking and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises.

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Administrative Support

The administrative support activity request for the OCDE Task Force Program in 1994 totals 13 positions, 13 workyears, and $1,552,000. This represents just 0.4 percent of the total funding request for the OCDE Task Force Program in 1995.

This activity provides policy guidance, central coordination, and administrative support to the headquarters of the eleven member agencies and the thirteen regional task forces. The Executive Office for OCDETF has day-to-day responsibility for providing administrative support to the Task Forces and is responsible for financial management, records management, and maintenance of the Case Management Information System. This staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required.

The State and Local Overtime and Expense Program was initiated in 1982 along with the OCDE Task Force Program to promote participation and cooperation among Federal, State, and local law enforcement participants to mount a comprehensive attack against organized crime and drug traffickers. DEA's direct appropriation language included the necessary authority to enter into contractual agreements with State and local entities. However, on October 1, 1991, the 1992 Conference Agreement added language not in the House or Senate bill, which provided the OCDE Task Force Program with the authority to administer a State and Local Overtime Program. This allows the Executive Office to directly administer the State and Local Overtime Program. While funding for this aspect of the Program was transferred to the Office of Justice Programs in the Department of Justice and Related Agencies Appropriations Act, 1993, management of the program remains under the auspices of the Executive Office for OCDETF.

PROGRAM CHANGES:

Total program changes of -150 positions (including 56 agents and 12 attorneys), -150 workyears, and -$17,640,000 for 1995 fall into two categories. First, a program reduction of -86 positions (including 26 agents and 12 attorneys), -86 workyears, and -$16,119,000 is requested in order to meet the Administration's deficit reduction goals and to reduce Federal civilian employment levels as mandated by Executive Order. Secondly, a program reduction of -64 positions (including 30 agents), -64 workyears, and -$1,521,000 is requested in order to offset increased 1995 payroll costs associated with the January, 1994 locality pay increase.

Interagency Law Enforcement

Organized Crime Drug Enforcement

Justification of Proposed Changes In Appropriation Language

The 1995 Budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Organized Crime Drug Enforcement

For necessary expenses for the detection, investigation, and prosecution of individuals involved in organized crime drug trafficking not otherwise provided for, to include intergovernmental agreements with State and local law enforcement agencies engaged in the investigation and prosecution of individuals involved in organized crime drug trafficking, [$382,381,000]^, of which $50,000,000 shall remain available until expended: Provided, That $369,943,000 any amounts obligated from appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation: Provided further, That any unobligated balances remaining available at the end of the fiscal year shall revert to the Attorney General for reallocation among participating organizations in the succeeding fiscal year, subject to the reprogramming procedures described in Section 606 of this Act.

[Department of Justice and Related Agencies Appropriations Act, 1994.]

Explanation of changes

No substantive changes proposed.

Interagency Law Enforcement
Organized Crime Drug Enforcement
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Action on 1994 Request			Approved Reprogrammings			Position and Workyear Adjustment		1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Pos.	WY	Amount
1. Drug Law Enforcement:														
Drug Enforcement Administration	997	984	$96,907	...	...	...	...	...	...	...	...	997	984	$96,907
Federal Bureau of Investigation	1,002	1,002	99,144	...	...	...	...	...	...	...	...	1,002	1,002	99,144
Immigration and Naturalization Service	118	118	10,946	...	...	...	...	...	...	(3)	(3)	115	115	10,946
U.S. Marshals Service	13	13	1,169	...	...	...	...	...	...	...	...	13	13	1,169
U.S. Customs Service	341	341	29,153	...	...	...	...	...	...	(1)	(1)	340	340	29,153
Bureau of Alcohol, Tobacco and Firearms	132	125	10,633	...	...	...	...	...	...	(2)	(2)	130	123	10,633
Internal Revenue Service	454	437	38,523	...	...	...	...	...	...	(3)	(3)	451	434	38,523
U.S. Coast Guard	10	10	922	...	...	...	(1)	(1)	(60)	...	...	9	9	862
Subtotal	3,067	3,030	287,397	...	...	...	(1)	(1)	(60)	(9)	(9)	3,057	3,020	287,337
2. Regional Drug Intelligence Squads (RDIS):														
Drug Enforcement Administration	26	26	2,245	...	...	...	...	...	...	...	...	26	26	2,245
Federal Bureau of Investigation	153	153	11,566	...	...	54	...	...	...	...	...	153	153	11,620
Undistributed	...	...	2,054	...	...	(2,054)	...	...	...	...	...	...	...	...
Subtotal	179	179	15,865	...	...	(2,000)	...	...	...	...	...	179	179	13,865
3. Prosecutions:														
U.S. Attorneys	932	915	77,717	...	...	...	...	...	...	...	...	932	915	77,717
Criminal Division	6	6	751	...	...	...	...	...	...	...	...	6	6	751
Tax Division	14	12	1,286	...	...	...	...	...	...	...	...	14	12	1,286
Subtotal	952	933	79,754	...	...	...	...	...	...	...	...	952	933	79,754
4. Administrative Support:														
Executive Office	13	13	1,365	...	...	...	...	...	60	...	...	13	13	1,425
TOTAL	4,211	4,155	384,381	...	...	(2,000)	(1)	(1)	...	(9)	(9)	4,201	4,145	382,381

Congressional Action:
Final Congressional action on the 1994 appropriation request resulted in the disapproval of $2,000,000 in undistributed funding for Regional Drug Intelligence Squads.

Approved Reprogrammings:
A 1993 permanent reprogramming request approved by the Department resulted in a reduction of one position and workyear and $60,000 in the base for the U.S. Coast Guard. The funding, but not the position or workyear, was permanently redirected to the Administrative Support function.

Position and Workyear Adjustment:
A reduction in positions and workyears from the levels approved by Congress will be implemented in order to absorb the costs of the January, 1994 locality pay raise.

Interagency Law Enforcement
Organized Crime Drug Enforcement
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years 1/	Amount
1994 appropriation anticipated	4,201	4,145	$382,381
Transfer from General Administration for Financial Operations Service	...	...	67
Mandatory increases	...	...	7,542
Decreases	...	...	(2,407)
1995 base	4,201	4,145	387,583

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increases/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Drug Law Enforcement	3,057	3,020	$287,337	3,057	3,020	$290,992	2,930	2,893	$277,458	(127)	(127)	($13,534)
2. Drug Intelligence	179	179	13,865	179	179	13,989	176	176	13,598	(3)	(3)	(391)
3. Prosecutions	952	933	79,754	952	933	81,030	932	913	77,335	(20)	(20)	(3,695)
4. Administrative Support	13	13	1,425	13	13	1,572	13	13	1,552	...	...	(20)
Total	4,201	4,145	382,381	4,201	4,145	387,583	4,051	3,995	369,943	(150)	(150)	(17,640)

1/ The positions and workyears reflected throughout the exhibits of the OCDE appropriation budget are reimbursable for the participating agencies.

Interagency Law Enforcement
Organized Crime Drug Enforcement
Summary of Resources by Program
(Dollars in thousands)

Estimate by Program	1993 as Enacted			* 1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Enforcement:																		
Drug Enforcement Administration	1,029	1,016	$97,126	1,029	1,016	$97,126	997	984	$96,907	997	984	$98,302	975	962	$93,704	(22)	(22)	($4,598)
Federal Bureau of Investigation	1,028	1,028	99,298	1,028	1,028	99,298	1,002	1,002	99,144	1,002	1,002	100,613	922	922	95,571	(80)	(80)	(5,042)
Immigration and Naturalization Service	120	120	11,019	120	120	11,019	115	115	10,946	115	115	11,056	111	111	10,563	(4)	(4)	(493)
United States Marshals Service	13	13	1,160	13	13	1,160	13	13	1,169	13	13	1,182	13	13	1,172	...	...	(10)
United States Customs Service	352	352	29,220	352	352	29,220	340	340	29,153	340	340	29,426	333	333	28,133	(7)	(7)	(1,293)
Bureau of Alcohol, Tobacco & Firearms	136	122	10,675	129	122	10,675	130	123	10,633	130	123	10,741	127	120	10,300	(3)	(3)	(441)
Internal Revenue Service	467	450	38,673	467	450	38,532	451	434	38,523	451	434	38,797	440	423	37,147	(11)	(11)	(1,650)
United States Coast Guard	10	9	910	9	9	850	9	9	862	9	9	875	9	9	868	...	...	(7)
Subtotal	3,155	3,110	288,081	3,147	3,110	287,880	3,057	3,020	287,337	3,057	3,020	290,992	2,930	2,893	277,458	(127)	(127)	(13,534)
Drug Intelligence:																		
Drug Enforcement Administration	26	26	2,222	26	26	2,222	26	26	2,245	26	26	2,270	25	25	2,195	(1)	(1)	(75)
Federal Bureau of Investigation	157	157	11,512	157	157	13,512	153	153	11,620	153	153	11,719	151	151	11,403	(2)	(2)	(316)
Undistributed	...	...	2,000	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal	183	183	15,734	183	183	15,734	179	179	13,865	179	179	13,989	176	176	13,598	(3)	(3)	(391)
Prosecutions:																		
United States Attorneys	946	929	78,069	946	929	78,069	932	915	77,717	932	915	78,854	912	895	75,287	(20)	(20)	(3,567)
Criminal Division	6	6	742	6	6	742	6	6	751	6	6	765	6	6	755	...	...	(10)
Tax Division	14	12	1,273	14	12	1,242	14	12	1,286	14	12	1,311	14	12	1,293	...	...	(18)
Subtotal	966	947	80,084	966	947	80,053	952	933	79,754	952	933	81,030	932	913	77,335	(20)	(20)	(3,695)
Administrative Support:																		
Executive Office	13	13	1,349	13	13	1,375	13	13	1,425	13	13	1,572	13	13	1,552	...	...	(20)
Total	4,317	4,253	385,248	4,309	4,253	385,042	4,201	4,145	382,381	4,201	4,145	387,583	4,051	3,995	369,943	(150)	(150)	(17,640)
Overtime:																		
AUO		585			585			564			564			552			(12)	
Overtime		9			9			9			9			9				
Other		14			14			12			12			12				
Total compensable workyears		4,881			4,861			4,730			4,730			4,568			(162)	

* 1993 Actual column revised from President's Budget to reflect final agency billings.

Organized Crime Drug Enforcement
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Drug Law Enforcement	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Enforcement Administration	997	984	$96,907	997	984	$96,302	975	962	$93,704	(22)	(22)	($4,598)
Federal Bureau of Investigation	1,002	1,002	99,144	1,002	1,002	100,613	922	922	95,571	(80)	(80)	(5,042)
Immigration and Naturalization Service	115	115	10,946	115	115	11,056	111	111	10,563	(4)	(4)	(493)
U.S. Marshals Service	13	13	1,169	13	13	1,182	13	13	1,172	...	...	(10)
U.S. Customs Service	340	340	29,153	340	340	29,426	333	333	28,133	(7)	(7)	(1,293)
Bureau of Alcohol, Tobacco and Firearms	130	123	10,633	130	123	10,741	127	120	10,300	(3)	(3)	(441)
Internal Revenue Service	451	434	38,523	451	434	38,797	440	423	37,147	(11)	(11)	(1,650)
U.S. Coast Guard	9	9	862	9	9	875	9	9	868	...	...	(7)
Subtotal	3,057	3,020	267,337	3,057	3,020	290,992	2,930	2,893	277,458	(127)	(127)	(13,534)

This budget activity includes resources to reimburse law enforcement agencies in the Department of Justice, Department of the Treasury and the Department of Transportation for investigative activities related to the thirteen OCDE Task Forces. The focus of Task Force investigations is on the organized criminal enterprise leadership involved in drug trafficking and the breakup of the infrastructure of organized criminal enterprises. This includes the seizure and forfeiture of assets of organized criminal enterprises involved in narcotics trafficking.

LONG RANGE GOAL:

To identify and investigate high-level organized criminal enterprises engaged in drug trafficking and to dismantle those organizations.

MAJOR OBJECTIVES:

To target and investigate individuals who organize, direct and finance high-level illegal narcotics trafficking enterprises.

To make full use of financial investigative techniques and forfeiture actions, thereby enabling the Federal Government to seize assets and profits derived from narcotics trafficking.

To promote a coordinated drug enforcement effort in each of the thirteen Task Force regions.

To encourage maximum cooperation among all Federal law enforcement agencies.

To work fully and effectively with State and local law enforcement agencies investigating illegal narcotics trafficking.

BASE PROGRAM DESCRIPTION:

1. Headquarters and Field Organization.

The Executive Review Board (ERB) is chaired by the Deputy Attorney General and is composed of senior officials from agencies of the Treasury, Transportation, and Justice Departments. The ERB provides oversight nationally by articulating policy, reviewing the allocation of resources, and recommending resolution of outstanding issues that cannot be settled in the field. The Washington Agency Representatives Group (WAR Group), comprised of high-level managers from each member agency, provides problem resolution research for the Board. An Executive Office is based at the Justice Department headquarters in Washington. The Executive Office serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required. This staff is also responsible for financial management, records management, maintenance of the Management Information System (MIS) and supports field operations in the thirteen OCDETF regions.

The organization of each region has two principal structural components: the Task Force Advisory Committee and the Task Force Coordination Group. The Advisory Committee oversees the Task Force, while the Coordination Group shares intelligence among the agencies, decides which cases are selected, coordinates the allocation of assets among cases, and facilitates cooperation among the agencies and between regions.

Each regional Advisory Committee is comprised of all the region's U.S. Attorneys, the Assistant U.S. Attorney (AUSA) Task Force Coordinator, the coordinators for each participating agency, and the senior regional representatives of those agencies. As the Senior Official responsible for each Task Force's performance, the Core City U.S. Attorney chairs the committee and supervises the AUSA Coordinator.

The Task Force Coordination Group plays a central role in coordinating the OCDETF Program within its region. Consisting of the AUSA Task Force Coordinator and coordinators from each participating Federal agency, the Coordination Group evaluates cases proposed for Task Force designation and approves investigations for initiation as OCDETF matters. The group also reviews the use of Task Force resources and resolves disputes between member agencies.

In the non-core cities, District Drug Enforcement Coordination Groups review investigation selection, resource allocation, and the progress of Task Force efforts Each non-core city U.S. Attorney selects an AUSA to serve as Lead Task Force Attorney for the district. This Lead Task Force Attorney coordinates case selection with representatives of the participating agencies, is responsible for district reporting tasks, and serves as liaison with the Core City Task Force office.

2. State and Local Participation.

From the Program's inception, State and local law enforcement elements have worked closely with the Task Forces. The OCDETF Guidelines promote joint involvement of State and local authorities in the investigation, apprehension, and prosecution of major drug traffickers and their organizations.

Several elements of the OCDETF Program facilitate State and local participation. Under Chapter A of Subpart 2 of Part E of TITLE I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, $5.3 million is available from the Drug Grant Program of the Office of Justice Programs (OJP) to the OCDE Appropriation to reimburse States and localities for overtime and expenses incurred by their personnel while participating in Task Force cases. Since the inception of the Program, Task Forces have entered into approximately 6,000 agreements with State and local governments nationwide and more than 20,000 State and local officers have taken part in the Task Program. Although these local agencies continue to pay the salaries of their investigators who work on Task Force cases, they are assisted in meeting the costs of overtime, travel, and per diem expenses resulting from their participation.

State and local participation is further facilitated, when appropriate to an investigation, by the deputation of State or local law enforcement officers as Federal Agents

Finally, the OCDETF Program facilitates equitable sharing of assets forfeited by drug traffickers. Sharing of assets provides a bonus to participating State and local agencies in the form of vehicles and cash.

3. Member Agencies.

According to the OCDETF Guidelines, one of the Program's main objectives is "...to promote a coordinated drug enforcement effort in each Task Force region, and to encourage maximum cooperation among all drug enforcement agencies..." Throughout its eleven years of operation, the OCDETF Program has pursued this objective.

Many of the Task Force investigations are so complex and labor intensive that they could not have been conducted without cooperation among the OCDETF Program agencies. Most, if not all, of these investigations require a mix of skills, experience, and jurisdiction possessed by no single agency. Each of the Federal Task Force members brings its own special skills and methods to the Program. Members come from three Cabinet-level departments: Justice, Transportation, and Treasury.

a) The Department of Justice.

Participating Justice agencies include the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Immigration and Naturalization Service (INS), the U.S. Attorneys' offices, and the U.S. Marshals Service. Support for the Program is also provided by the Department's Tax and Criminal Divisions.

The effective use of the expertise of these components is an indispensable tool in the OCDETF Program. Thus, DEA's narcotics investigative experience, knowledge of drug distribution organizations, and close working relations with State and local authorities make this agency essential to every Task Force. The same holds true for the FBI which brings to the Program the ability to gather and analyze intelligence data and to deploy and manage sophisticated electronic surveillance and undercover operations.

The Immigration and Naturalization Service (INS) has statutory responsibility for the admission, control, and removal of aliens. Pursuant to this authority, INS identifies and screens high-risk persons entering the United States to curtail alien involvement in illicit narcotics enterprises.

The U.S. Marshals Service is charged with safeguarding the integrity of the judicial process by preventing jury tampering and disruption in the courtroom. In addition to managing seized assets and those assets forfeited by drug traffickers, the Marshals Service also has a major responsibility in bringing OCDETF fugitives to justice.

b) The Department of Transportation.

The Transportation Department participates in the OCDETF Program through the U.S. Coast Guard. The Coast Guard has assumed a variety of functions that meld with the work of the other Task Force agencies. Coast Guard coordinators participate in case selection, analysis, and review; serve as liaison with the military services; and provide valuable intelligence and guidance on cases with maritime connections.

c) The Department of the Treasury.

Participating Treasury agencies include the Bureau of Alcohol, Tobacco and Firearms (BATF); the Internal Revenue Service (IRS); and the U.S. Customs Service (USCS)

BATF's special role in enforcing Federal firearms, explosives, and arson laws gives the Program access to special expertise in dealing with drug traffickers who are well armed and increasingly prone to violence. BATF's jurisdiction and capabilities make it a well-suited partner to other agencies participating in the war against illegal drugs.

The IRS actively participates in OCDE Task Force cases through its investigation of tax-related violations of the Internal Revenue Code. The IRS's Criminal Investigation Division also investigates money laundering operations, enforces major provisions of the Bank Secrecy Act, and assists in asset seizure and forfeiture actions.

Along with the IRS, the U.S. Customs Service has been especially effective in conducting financial investigations. Through the analysis of computer data collected under the Bank Secrecy Act, Customs identifies drug traffickers and money launderers for OCDE Task Force investigations. Customs' capacity to track the international movement of cash, persons, and commodities complements the drug trafficking investigations of other Task Force agencies. The Customs Service is also a major interdictive agency. Its mission includes the interdiction of drug shipments through all ports of entry into the United States.

ACCOMPLISHMENTS AND WORKLOAD:

The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigations; its use of financial investigations to reach otherwise invulnerable targets; and its unprecedented success in fostering collaboration among law enforcement agencies from all jurisdictions has demonstrated the efficacy of OCDETF's operational model.

It has become apparent that the most effective strategy for combating major illicit drug traffickers is the OCDETF type of investigation and prosecution. The OCDETF Program strategy is to immobilize drug trafficking and money laundering organizations by incarcerating organization members; causing forfeiture of organization and individual assets; and, where appropriate, extraditing, deporting, and excluding organization members. To achieve these ends, the Task Forces have directed their resources at those significant national and international targets against which successful prosecution has the greatest impact. From its inception late in 1982 through the end of 1992, the Task Forces:

- initiated 5,105 investigations, resulting in 14,208 indictments and criminal information;
- convicted 34,542 members of criminal organizations;
- sentenced 24,989 persons to prison;
- seized cash and property assets totaling nearly $2.6 billion.

OCDE Task Force results have reflected the success of the OCDETF's targeting strategy: reaching above the retail and "middleman" levels of the drug trade. Most of the charges brought in OCDETF indictments have been against leaders, lenders, launderers, and major suppliers of multi-district, national, and international criminal organizations.

Illustrative of OCDETF's success is that 84.6% of all indicted defendants are convicted.

Consolidated Workload of the OCDE Task Force Program follows:

Item	Actual 1992	Estimates 1993**	1994**	1995**
Investigations	879	848	815	794
Indictments	2,527	2,631	2,528	2,464
Individuals indicted	7,766	8,235	7,913	7,712
Convictions	4,642	5,166	4,966	4,859

Selected OCDETF case examples are available in the 1983–1990 Annual Reports.

Note: 1993 data reported represent an estimate based on integration of final 1992 case data. The previous workload figures projected for FY 1993–FY 1995 were built on an aggregation of data for the years FY 1989–FY 1991.

** Excludes workyear impact of Regional Drug Intelligence Squads.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Law Enforcement	3,057	3,020	$290,992	2,930	2,893	$277,458	(127)	(127)	($13,534)

A program decrease of 127 positions (including 56 agents), 127 workyears and $13,534,000 is required to meet personnel and resource levels targeted by the Administration. Details are provided in the Multi–Activity exhibit beginning on page 24.

Activity: Drug Intelligence (Regional Drug Intelligence Squads (RDIS))	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Enforcement Administration	26	26	$2,245	26	26	$2,270	25	25	$2,195	(1)	(1)	($75)
Federal Bureau of Investigation	153	153	11,620	153	153	11,719	151	151	11,403	(2)	(2)	(316)
Total	179	179	13,865	179	179	13,989	176	176	13,598	(3)	(3)	(391)

This funding will provide major operational/tactical and strategic intelligence support for the thirteen OCDETF core cities.

LONG–RANGE GOAL:

To establish Regional Drug Intelligence Squads first in the five High Intensity Drug Trafficking Areas, and as soon as possible in all thirteen OCDETF core cities. These squads will gather and disseminate raw data for strategic, operational and tactical intelligence purposes and respond to intelligence tasking from the National Drug Intelligence Center (NDIC) and agency headquarters.

MAJOR OBJECTIVES:

To provide regional drug trafficking and related crime intelligence for the thirteen OCDETF regions.

To serve as the central coordinating mechanism for all Federal, State, and local enforcement generated intelligence to be used in the region.

To operate as the conduit for intelligence to and from the NDIC.

To maximize efficiency and to avoid costly duplication of field intelligence resources and functions.

BASE PROGRAM DESCRIPTION:

The FY 1993 Department of Justice and Related Agencies Appropriations Act, P.L. 102–395, provided the OCDE appropriation with $13,374,000 originally requested in the direct appropriations of the DEA and FBI to support the establishment of the Regional Drug Intelligence Squads (RDIS). An additional $2,000,000 in undistributed funds was also made available by Congress. It is the position of Congress that consolidation of funding for RDIS will help achieve improved integration of intelligence related to organized crime drug activities.

The function of the RDIS will be to foster, support, and facilitate the collection, analysis, exchange, and utilization of drug–related information available in specific geographic regions. The squads will also develop intelligence to provide a clear understanding of the scope and dimension of drug trafficking and drug abuse within the region. The resulting regional, strategic intelligence assessments will be disseminated for use by law enforcement entities located within the region, to agency management, and to the NDIC.

Participants in the RDIS program are expected to include State and local law enforcement agencies, U.S. Customs Service, IRS, INS, BATF, and the DEA and FBI. Squads will be established in major metropolitan areas, beginning with core HIDTA cities. The exact number of joint squads to be initially established, their exact locations, and the breakdown of other agency participants remains to be determined.

Reimbursable Agreements between the Executive Office for OCDETF and the DEA and the FBI respectively were executed for FY 1993. $11,512,000 was released to the FBI for the support of the eight currently operational intelligence squads which are being converted from Joint Drug Intelligence Groups (JDIG) to Regional Drug Intelligence Squads (RDIS) and $2,222,000 was released to the DEA for the support of DEA intelligence activities. In addition, the $2,000,000 in undistributed funding was also released to the FBI for the purchase of computer equipment and software which will link the current eight RDIS locations.

ACCOMPLISHMENTS AND WORKLOAD:

Based in part, on the FBI's Joint Drug Intelligence Groups that are being absorbed into this initiative, Regional Drug Intelligence Squads (RDIS) will provide major operational/tactical support for drug law enforcement. As reported earlier, the RDIS will begin in the five HIDTAs to provide detailed, relevant, and timely organizational

intelligence on the drug trafficking organizations. These squads will collect intelligence regarding the composition, scope, magnitude and internal/external dynamics of the targeted kingpin drug trafficking organizations.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Intelligence	179	179	$13,989	176	176	$13,598	(3)	(3)	($391)

A program decrease of 3 support positions, 3 workyears and $391,000 is required to meet personnel and resource levels targeted by the Administration. Details are provided in the Multi-Activity exhibit beginning on page 24.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
Activity: Prosecution	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Attorneys	932	915	$77,717	932	915	$78,954	912	895	$75,287	(20)	(20)	($3,667)
Criminal Division	6	6	751	6	6	765	6	6	755	...	...	(10)
Tax Division	14	12	1,286	14	12	1,311	14	12	1,293	...	...	(18)
Total	952	933	79,754	952	933	81,030	932	913	77,335	(20)	(20)	(3,695)

This funding is used to reimburse the U.S. Attorneys, the Criminal Division and the Tax Division for their investigative support and prosecutorial efforts towards OCDE Task Force cases. Litigation efforts are targeted selectively on the criminal leadership involved in drug trafficking and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises.

LONG-RANGE GOAL:

To reduce the incidence of organized criminal involvement in all aspects of illicit drug activity in the United States through the prosecution of members of high-level drug trafficking enterprises.

MAJOR OBJECTIVES:

To prosecute individuals who organize, direct, finance or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations.

To promote a coordinated drug enforcement effort in each OCDE Task Force, and to encourage maximum cooperation among all drug enforcement agencies.

To work fully and effectively with State and local drug enforcement agencies.

To make use of financial investigative techniques, including tax law enforcement and forfeiture actions, to make possible seizure of assets and profits derived from high-level drug trafficking cartels.

BASE PROGRAM DESCRIPTION:

1. The United States Attorneys.

Prosecution in each of the 13 Task Forces is conducted by attorneys and support staff coordinated by District U.S. Attorneys and a Core City U.S. Attorney who is accountable to the Deputy Attorney General on matters pertaining to conduct of the Task Force. The thrust of the OCDE Task Force Prosecution Program is to encourage the maximum level of cooperation at the district, regional, national, and international level by having the non-core District U.S. Attorneys and the Core City U.S. Attorney coordinate the activities of the agencies participating in the Program.

The OCDE Task Force Program implements a major Administration initiative to combat organized crime and drug trafficking. The Program is based on a high degree of cooperation and coordination among Federal, State and local law enforcement and prosecution agencies. The 13 regions identify, investigate and prosecute members of high-level drug trafficking enterprises to dismantle those organizations. The range and nature of the investigative techniques requires continuing and intensive participation by Assistant U.S. Attorneys in the development of investigative strategy, and in the provision of continuing counsel to ensure that the evidence growing out of investigations will be complete, conclusive, proper and admissible.

Task Force prosecutions benefit from the Program's broad, thorough, and careful approaches. The Guidelines lay down distinctive principles for Task Force prosecutions including:

- an increased emphasis on forfeitures, either in civil actions, or under the criminal forfeiture provisions of the law;
- the use of any of a wide range of statutes, not just drug statutes, to put drug trafficking organizations out of business; and
- a concerted coordination of prosecutorial activities among various jurisdictions in order to achieve maximum impact on entire organizations.

When a grand jury returns an indictment or an information is filed, the case moves from the investigative to the prosecutorial phase. The prosecution of an OCDE Task Force case is qualitatively different from that of any other drug prosecution. The continual involvement of a Task Force AUSA during the investigation results in the construction of a stronger case. Prosecuting attorneys are provided with the information necessary to become familiar with all aspects of the case which enables them to develop a better prosecution strategy.

The AUSA working with agents with a wide range of areas of expertise, ensures that specific statutory violations are appropriately documented and charged. This coordination of effort also results in a strategy that broadens the prosecution of cases from just the prosecution of individual defendants, to the maximum disruption of the drug trafficking organizations involved.

The Task Force emphasis on collaboration with State and local law enforcement agencies and on the cross-designation of attorneys affords a greater choice of avenues in which a case may be brought to trial. With the option of taking a case to a Federal or a State court, prosecutors can take best advantage of the available statutory relief afforded by the two systems. Where a State's penalties for criminal possession of small amounts of drugs are more severe than the Federal penalties, prosecutors can bring the case to the jurisdiction with the more punitive statutes.

One of the cornerstone principles of the OCDETF Program is early attorney involvement in the development of case strategy. The Task Force Program affords prosecutors the time they need to participate in the development of this strategy and to provide the necessary legal services and counsel that investigators require. They are not expected to rush cases to completion, but rather to move deliberately toward successful and comprehensive conclusions. While Task Force attorneys carry a caseload of fewer cases, theirs are typically more intricate and long-term than those of their non- Task Force counterparts.

A second strength is the development of skills by OCDE Task Force attorneys who are dedicated full-time to complex OCDETF matters. For investigators and attorneys alike, the use of electronic surveillance or the mounting of undercover operations are especially unique and time-consuming since they require extensive and complex legal paperwork. A wiretap, for example, requires a detailed application for initial approval and repeated affidavits for renewal. The preparation of the necessary documents has become a virtual art form, and the Task Forces have proved equal to the challenge. The number of attorneys experienced in handling these matters has has increased, a significant development in an area where maintaining investigative momentum is crucial. Another feature cited by attorneys themselves is the increase in their knowledge of matters relating to narcotics dealing. The courts now recognize them for their greater acumen in interpreting the narcotics environment. When applying for warrants for wiretaps, searches, or arrests, they can now more authoritatively articulate the information contained in the supportive affidavits of the investigative agencies; for example, the probability of finding narcotics ledgers or financial books and records that will show the fruits of drug trafficking, even in locations where drugs themselves are not likely to be found. Similarly, they can better represent drug dealers' cryptic conversations in support of applications for extensions of ongoing court-authorized electronic surveillance or for new supplementary surveillance. The development of such expertise in offices of the U.S. Attorneys is primarily attributable to the close working relationship among OCDETF Attorneys and experts from the investigative agencies under the aegis of the OCDETF Program.

2. Criminal Division.

The OCDE Task Force initiative against organized drug traffickers has increased the demands on the Criminal Division to provide certain types of prosecutorial assistance and to participate directly in the development of particular cases. For example, many OCDE Task Force investigations depend upon electronic surveillance to obtain evidence on the activities of wrongdoers. By law (28 USC 2516), all electronic surveillance must be authorized by the Attorney General or a designated Assistant Attorney General. Before authorization, each application is reviewed by Criminal Division personnel, and a recommendation is made to the Assistant Attorney General. Then, following authorization of either a wiretap or the wireless interception of communications, reports must be collected and reviewed on the fruits of the surveillance. In addition to employing electronic surveillance techniques, many OCDE Task Force prosecutions rely on witnesses whose personal safety is endangered by criminal elements. A prosecutor seeking to arrange for the protection of a witness, e.g., by providing guards, by relocating the witness out of the danger area, by securing a new identity for the witness, etc., must submit a request to the Criminal Division for review as to the qualification of the witness for the Program and a determination as to the level of protection to be afforded to the witness.

3. Tax Division.

The Tax Division provides nationwide review and coordination of all tax charges in OCDETF cases. An experienced Tax Division attorney is assigned as a liaison official to each of the 13 OCDE task forces. These attorneys work closely with each Core City AUSA and IRS coordinator and the AUSAs and IRS Special Agents in the investigation of tax crimes. They provide the local task forces with advice, guidance and expertise in developing and handling the tax investigations. They also provide litigation support.

Specifically their responsibilities include:

a) meeting periodically with the Core City coordinators and IRS agents;

b) having knowledge of the inventory of tax investigations, their nature and scope;

c) monitoring the progress of all tax investigations;

d) providing consultative assistance and direction whenever needed;

e) reviewing expeditiously all recommendations for prosecution of tax charges, whether by indictment or plea; and

f) conducting grand jury investigations and prosecutions of drug traffickers, as needed.

In addition to assisting in individual case development, Tax Division liaison attorneys participate in training new Assistant United States Attorneys and Task Force investigators in tax matters. They attend conferences in each region and participate in panel discussions on narcotics/tax prosecutions. The liaison attorneys communicate frequently with regional IRS coordinators to keep abreast of new developments which might be of particular importance not only to the Tax Division but to other drug task force components. The Tax Division has also maintained a clearinghouse of legal and investigative materials and information, and coordinates the dissemination of this information to regional task force personnel.

ACCOMPLISHMENTS AND WORKLOAD:

1. United States Attorneys.

Workload statistics for the United States Attorneys activity have been combined and are reflected in the Drug Law Enforcement budget activity on page 14. Examples of OCDETF case activity can be found in the 1983–1990 Annual Reports of the OCDETF Program.

2. Criminal Division.

Item	1992	1993	Estimates 1994	Estimates 1995
Electronic surveillance applications reviewed	418	519	571	608
Witnesses accepted in protection program	218	236	255	281
Extradition Requests Transmitted:				
Requests Pending, Beginning of Year	548	615	665	640
Requests Received	175	150	175	175
Requests Closed	(108)	(100)	(100)	(100)
Requests Pending, End of Year	615	665	740	715
U.S. Legal Assistance Requests Transmitted:				
Requests Pending, Beginning of Year	247	377	682	682
Requests Received	350	275	320	320
Requests Closed	(220)	(250)	(250)	(250)
Requests Pending, End of Year	377	402	752	752

3. Tax Division.

Tax charges are often a key element in the successful prosecution of participants in criminal enterprises. Enforcement of the tax laws is playing an increasing role in the drug war. Approximately 26 percent of the prosecutions authorized by the Tax Division involve the illegal sale of drugs, and this percentage is likely to increase as the Internal Revenue Service is devoting substantially increased resources to investigating drug cases.

	1992	1993	Estimates 1994	Estimates 1995
OCDETF Case Receipts				
a. Complex Cases Other Than Outgrowths	68	89	88	88
b. Outgrowths	21	44	43	43
Subtotal	89	133	131	131
c. Grand Jury Investigations	41	28	28	28
Total Case Receipts	130	161	159	159
OCDETF Case Closings				
a. Complex Cases Other Than Outgrowths	89	44	44	44
b. Outgrowths	77	16	16	16
Subtotal	166	60	60	60
c. Grand Jury Investigations	49	13	13	13
Total Case Receipts	215	73	73	73

EXPLANATION:

Workload statistics were obtained from the Criminal Appeals and Tax Enforcement Policy (CATEP) Section, which maintains the Tax Division's automated case reporting and tracking system for criminal tax matters. 1992 data reflects actual end of year caseload. 1993 data and out-year estimates are based upon internal data, statistics received from the Criminal Investigation Division of the IRS, and information obtained from the Office of National Drug Control Policy.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Prosecutions	952	933	$81,030	932	913	$77,335	(20)	(20)	($3,695)

A program decrease of 20 positions (including 12 attorneys), 20 workyears and $3,695,000 is required to meet personnel and resource levels targeted by the Administration. Details are provided in the Multi-Activity exhibit beginning on page 24.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: Administrative Support												
Executive Office	13	13	$1,425	13	13	$1,572	13	13	$1,552	...	...	($20)

This activity provides policy guidance, central coordination, and administrative support to the headquarters of the eleven member agencies and the thirteen regional Task Forces.

LONG-RANGE GOAL:

To provide policy guidance, central coordination and administrative support to the 13 regional drug task forces.

MAJOR OBJECTIVES:

To perform as the support and monitoring body between the individual task force Coordinating Groups and the Office of the Deputy Attorney General.

To track and monitor task force cases and resources.

To perform budget analysis, program analysis and evaluation.

To prepare testimony and information for the Attorney General, the Deputy Attorney General, Congress, the media, and others concerning Task Force issues.

To perform research in support of Task Force requirements.

To manage the State and Local Law Enforcement Overtime Fund, State and local deputation, and Federal officer cross-designation programs.

BASE PROGRAM DESCRIPTION:

The thrust of the Task Force Program is to encourage more cooperation at the field-office level by marshaling the efforts of agency personnel within local districts and making the Core City United States Attorney responsible for the coordination of the Task Force. The Program is not designed to be administered centrally from Washington but rather, supported by the Washington based Executive Office.

The Executive Office for OCDETF provides policy guidance, central coordination, and administrative support to the headquarters of the member agencies and the 13 regional task forces. The Executive Office has day-to-day responsibility for providing administrative support to the Task Force and is responsible for financial management oversight, records management, and maintenance of the Management Information System. This staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required.

This Office serves as the Executive Secretariat of the OCDETF Program and is a part of the Deputy Attorney General's office. The Director reports through a Principal Associate Deputy Attorney General.

In 1983 and 1984, the OCDETF Program operated as a single appropriation reimbursing agencies for their involvement. Beginning in 1985, the resources were appropriated directly to the participating agencies. As a result of Section 1055 of the Anti-Drug Abuse Act of 1988, beginning in 1990 a consolidated appropriation was again established. The Attorney General in his budget submits a separate appropriations request for expenses relating to all Federal agencies participating in the Organized Crime Drug Enforcement Task Forces. Such appropriations are made to the Department of Justice's Interagency Law Enforcement Appropriation Account for the Attorney General to make reimbursements to the involved agencies as necessary.

ACCOMPLISHMENTS AND WORKLOAD:

The Executive Office, as the central repository of the case data, is able to provide the national focus necessary for the Deputy Attorney General to manage and assess the Task Force Program.

The OCDETF Management Information System is designed to meet the management needs of the Deputy Attorney General, U.S. Attorneys, the Executive Review Board, the Member Agency Headquarters and the regional Task Forces. In addition, the information system provides the data necessary to evaluate Task Force Program performance which is used in reports to the Attorney General, the President, Congress, and the public. The Case Monitoring System consists of three standard reports: the Investigation Initiation; the Indictment; and the Disposition Sentencing. Other monitoring reports include but are not limited to Investigations/Prosecution Status Reports and various activity reports.

In anticipation of the Presidential requirements to refine performance in all Federal government operations, the OCDETF Washington Agency Representatives (WAR) Group commenced a major Performance Measurement refinement process in June, 1993. The WAR Group committee examined past practices and concluded that while major accomplishments have occurred consistently, it had to acknowledge that the measurement of goal attainment fell short.

After extensive research and negotiation, the WAR Group reached consessus on a design which will provide data concerning the attainment of the goal of the OCDETF Program. At the same time, the new OCDETF Performance Measures will meet the Governmental Performance and Review Act requirements as well as other Administration initiatives designed to improve governmental performance.

In addition to comprehensive activities involved in the maintenance of the Management Information System, financial management oversight requirements and other recurring administrative responsibilities, the Executive Office has performed the following activities:

1. Preparation of the annual reports of the OCDETF Program;

2. Design, coordination, and management of the Annual National Conferences;

3. Preparation of a five-year summary report;

4. Preparation of a six-year impact analysis report;

5. Modernization of existing data base to modern high speed digital software/hardware;

6. Performed site visits to all Core Cities regarding preparation of the Annual Reports, the five-year Summary Report and the six-year impact analysis report;

7. Conducted site visits and inspections to numerous non-core districts;

8. Provided critical staff support and coordination in the preparation of speeches, presentations, and related activities required for all regional conferences, all Washington Agency Representatives meetings and all Executive Review Board meetings;

9. Attended and generally provided speeches at all regional conferences, advisory committee meetings, and national conferences;

10. Coordinated and processed all State/local federal agreements for cooperative investigations, and all overtime contracts and Deputation requests;

11. Served and chaired numerous Committees and special projects; and

12. In accordance with required taskings from the Attorney General, Deputy Attorney General, Principal Associate Deputy Attorney General, member agencies, and the United States Attorneys, responded to all information requests and issue/problem resolution requirements, and prepared special analyses and performed liaison activities with affected agencies.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Support	13	13	$1,572	13	13	$1,552	...	...	($20)

A program decrease of $20,000 is required to meet resource levels targeted by the Administration. Details are provided in the Multi-Activity exhibit beginning on page 24.

Interagency Law Enforcement
Organized Crime Drug Enforcement
Justification of Multi-Activity Program Changes
(Dollars in thousands)

Activity/Program	OMB FTE Reductions Perm. Pos.	WY	Amount	Locality Pay Absorption Perm. Pos.	WY	Amount	Total Perm. Pos.	WY	Amount
1. Drug Law Enforcement:									
Drug Enforcement Administration	(22)	(22)	($4,174)	...	...	($424)	(22)	(22)	(4,598)
Federal Bureau of Investigation	(16)	(16)	(4,404)	(64)	(64)	(638)	(80)	(80)	(5,042)
Immigration and Naturalization Service	(4)	(4)	(430)	...	...	(63)	(4)	(4)	(493)
U.S. Marshals Service	...	...	(10)	...	...	...	...	...	(10)
U.S. Customs Service	(7)	(7)	(1,264)	...	...	(29)	(7)	(7)	(1,293)
Bureau of Alcohol, Tobacco and Firearms	(3)	(3)	(387)	...	...	(54)	(3)	(3)	(441)
Internal Revenue Service	(11)	(11)	(1,606)	...	...	(44)	(11)	(11)	(1,650)
U.S. Coast Guard	...	...	(7)	...	...	...	...	...	(7)
Subtotal	(63)	(63)	(12,282)	(64)	(64)	(1,252)	(127)	(127)	(13,534)
2. Drug Intelligence – Regional Drug Intelligence Squads (RDIS):									
Drug Enforcement Administration	(1)	(1)	(75)	...	...	...	(1)	(1)	(75)
Federal Bureau of Investigation	(2)	(2)	(316)	...	...	...	(2)	(2)	(316)
Subtotal	(3)	(3)	(391)	...	...	...	(3)	(3)	(391)
3. Prosecutions:									
U.S. Attorneys	(20)	(20)	(3,417)	...	...	(250)	(20)	(20)	(3,667)
Criminal Division	...	...	(6)	...	...	(4)	...	...	(10)
Tax Division	...	...	(10)	...	...	(8)	...	...	(18)
Subtotal	(20)	(20)	(3,433)	...	...	(262)	(20)	(20)	(3,695)
4. Administrative Support:									
Executive Office	...	...	(13)	...	...	(7)	...	...	(20)
TOTAL	(86)	(86)	(16,119)	(64)	(64)	(1,521)	(150)	(150)	(17,640)

Narrative Description

A program decrease of -86 positions (including 26 agents and 12 attorneys), -86 workyears, and -$16,119,000 is required to meet personnel and resource levels targeted by the Administration. In addition, a program decrease of -64 positions (including 30 agents), -64 workyears, and -$1,521,000 is required as a result of absorption of the 1994 locality pay requirements. A discussion by agency follows:

- Drug Enforcement Administration (DEA): The reduction of -22 positions (10 agents and 12 support), -22 workyears and -$4,598,000 will limit DEA's ability to participate in new OCDETF initiatives. Due to the current fiscal environment, DEA will have to be even more selective of the OCDETF cases in which it will participate. In the spirit of interagency cooperation, DEA investigative support would be maintained for the highest priority investigations.

- Federal Bureau of Investigation (FBI): A reduction of -80 positions (30 agents and 50 support), -80 workyears, and -$5,042,000 will limit the FBI's ability to participate in new OCDETF investigations. Support will continue for the highest level OCDETF investigations, but a reduction of this magnitude will necessarily result in a corresponding reduction in such measures of performance as number of indictments and convictions. In recent years, the FBI's workload associated with OCDETF cases has significantly increased the demand for personnel resources to analyze financial records, monitor and transcribe Title III wiretaps, provide automated intelligence support, and handle asset forfeiture activities.

- Immigration and Naturalization Service (INS): A reduction of -4 support positions, -4 workyears, and -$493,000 will result in a reduced level of participation. Although the INS has increased its participation in OCDETF casework targeting foreign nationals, the number of instances where INS cannot participate due to resource constraints has risen at a greater rate. Case participation increased from 383 investigations during 1991 to 437 in 1992, but cases where INS could not participate increased from 189 to 248 during the same period. INS will make every effort to support as many cases as possible with the reduced resources focusing attention to the highest priority cases.

- U.S. Marshals Service (USMS): A reduction of -$10,000 will be offset through a decrease in travel and payroll expenses.

- U.S. Customs Service (Customs): A reduction of -7 positions (5 agents and 2 support), -7 workyears, and -$1,293,000 will result in reduced participation in the OCDETF Program. Customs OCDETF caseload increased by 121 percent from the beginning of 1991 through the beginning of 1993, without any increases in workyears during that period. Caseload carried into 1993 was 1,228 pending investigations, or 4.6 investigations per funded agent. An effort is being made to reduce the workload to a level commensurate with funding, which would be approximately 2.4 investigations per funded agent. This will require that Customs OCDETF workyears be expended on only the most significant major drug trafficking and money laundering investigations. Less significant narco-traffickers, who in the past have been targeted through the OCDE Task Forces, will have to be investigated with available Customs direct budget funded special agents.

- Bureau of Alcohol, Tobacco, and Firearms (BATF): A reduction of -3 agent positions, -3 workyears, and -$441,000 will limit BATF's ability to participate in OCDETF investigations, as well as its ability to provide the necessary level of non-payroll support.

- Internal Revenue Service (IRS): A reduction of -11 positions (8 agents and 3 support), -11 workyears, and -$1,650,000 will reduce the IRS's ability to expand its participation in the OCDETF Program. IRS will attempt to maintain its operational commitment to OCDETF at current levels. This, however, will prove most difficult and fewer money laundering cases will be initiated in 1995.

- U.S. Coast Guard (USCG): A reduction of -$7,000 will be realized through a reduction in travel expenses and the purchase of supplies and materials.

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- Drug Intelligence - Regional Drug Intelligence Squads (RDIS): A reduction of -3 support positions, -3 workyears, and -$391,000 will require that remaining RDIS resources be maximized to support limited drug investigative resources more effectively and efficiently by first identifying, through intelligence, the significance of an organization within a region and at the same time documenting its leadership before committing the investigative resources necessary to dismantle it.

- United States Attorneys (USA): A reduction of -20 positions (12 attorneys and 8 support), -20 workyears, and -$3,667,000 will impact the OCDETF Program within the United States Attorneys' offices. The USA will continue to prosecute priority programs as established by the Attorney General and increase productivity whenever possible. Since many of the client agencies have received similar reductions in positions and workyears, some reductions in the number of referrals/investigations initiated are anticipated. Whenever possible, cost savings related to space charges, relocation expenses, and advanced technology leases will be implemented to minimize the impact of these reductions.

- Criminal Division (CRIM): A reduction of -$10,000 will be offset through an absorption of mandatory increases.

- Tax Division (TAX): A reduction of -$18,000 will be offset through an absorption of mandatory increases and savings in space costs.

- Executive Office (EO-OCDETF): A reduction of -$20,000 will be offset by savings in contractual services.

Summary

As the OCDETF Program implements the personnel decreases reflected in the budget for 1994 and 1995, it will endeavor also to begin implementing the recommendations of the National Performance Review to reduce, by half, the percentage of employees that are supervisors or managers, by the year 1998.

Better intelligence, additional and more complex investigations, and increasing numbers of trials and appeals have placed demands on the OCDETF participating agencies beyond the available OCDE appropriated resources. Since 1990, agencies have been forced to supplement the OCDETF appropriation to meet these demands. However, due to the current government-wide belt tightening and competing operational demands regarding members agencies' direct appropriation mission, agencies will not be able to continue diverting direct budget resources in support of the OCDETF Program. As a result, participating agencies' support of the OCDETF Program will decline even more than that necessitated by the direct OCDE appropriation reduction of -150 positions, -150 workyears, and -$17,640,000.

Interagency Law Enforcement
Organized Crime Drug Enforcement
Financial Analysis – Program Changes
(Dollars in Thousands)

Item	DRUG LAW ENFORCEMENT									
	DEA		FBI		INS		USMS		USCS	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS–15	...	...	...	...	...	...	...	...	...	...
GS–14	...	...	...	...	–1	–75	...	...	...	...
GS–13	–10	–$653	–30	–1,784	...	...	...	...	...	...
GS–12	–9	–479	...	...	–2	–132	...	...	–7	–308
GS–11	...	...	...	...	...	...	...	...	...	...
GS–9	...	...	...	...	...	...	...	...	...	...
GS–8	...	...	...	...	...	...	...	...	...	...
GS–7	...	...	–50	–1,391	–1	–25	...	...	...	...
GS–6	–3	–61	...	...	...	...	...	...	...	...
GS–5	...	...	...	...	...	...	...	–5	...	...
Ungraded positions	...	...	...	...	...	...	...	...	...	...
Total positons and annual rate	–22	–1,213	–80	–3,175	–4	–232	...	–5	–7	–308
Lapse(–)	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	–2	–178	–7	–458	–2	–147	...	–1	...	–33
Special personal services payments	...	...	...	...	...	–5	...	...	...	...
Total workyears and personnel compensation	–24	–1,391	–87	–3,633	–6	–384	...	–6	–7	–341
Personnel benefits		–493		–1,410		–55		–2		–134
Travel and transportation of persons		–489		...		–17		–2		–44
Transportation of things		–2		...		...		...		–6
GSA rent		–208		...		...		...		–230
Rental payments to others		...		...		...		...		–23
Communications, utilities		–445		...		–10		...		–121
Printing and reproduction		–5		...		...		...		...
Other services		–961		...		–13		...		–56
Supplies and materials		–466		...		–9		...		–97
Equipment		–136		1		–5		...		–241
Total program workyears and obligations changes requested, 1995	–24	–4,598	–87	–5,042	–6	–493	...	–10	–7	–1,293

Interagency Law Enforcement
Organized Crime Drug Enforcement
Financial Analysis – Program Changes
(Dollars in Thousands)

	DRUG LAW ENFORCEMENT						REGIONAL DRUG INTELLIGENCE SQUADS			
	BATF		IRS		USCG		DEA–RDIS		FBI–RDIS	
Item	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS–15	...	...	...	...	...	...	...	...	...	...
GS–14	...	...	–6	–394	...	...	...	...	...	...
GS–13	...	...	...	...			...	...	...	...
GS–12	–3	–204	...	...	...	...	...	...	...	
GS–11	...	...	...	...	...	...	...	...	...	
GS–9	...	...	–2	–64	...	...	...	...	...	
GS–8	...	...	...	...	...	...	...	...	...	
GS–7	...	...	...	...	...	...	...	...	–2	–49
GS–6	...	...	...	...	...	...	–1	–22	...	
GS–5	...	...	–3	–63	...	...	...	...	...	
Ungraded positions	...	...	...	...	...	...	...	...	...	
Total positions and annual rate	–3	–204	–11	–521	...	...	–1	–22	–2	–49
Lapse(–)	...	...	...	...	...	...	...	...	...	
Other personnel compensation	...	–37	...	–44	...	...	...	...	...	
Special personal services payments	...	...	...	...	...	...	...	...	...	
Total workyears and personnel compensation	–3	–241	–11	–565	...	...	–1	–22	–2	–49
Personnel benefits		–55		–261		–2		–7		–21
Travel and transportation of persons		...		–72		–3		...		–38
Transportation of things		...		...		...		...		–3
GSA rent		...		...		...		–10		–68
Rental payments to others		...		...		...		...		
Communications, utilities		...		...		...		–10		–1
Printing and reproduction		...		...		...		...		–2
Other services		...		–185		–1		–23		–69
Supplies and materials		...		–24		–1		–1		–21
Equipment		–145		–543		...		–2		–44
Total program workyears and obligations changes requested, 1995	–3	–441	–11	–1,650	...	–7	–1	–75	–2	–316

Interagency Law Enforcement
Organized Crime Drug Enforcement
Financial Analysis – Program Changes
(Dollars in Thousands)

Item	PROSECUTION						ADMINISTRATIVE SUPPORT			
	USA's		CRIMINAL DIVISION		TAX DIVISION		EXECUTIVE OFFICE		TOTAL OCDE	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS–15	...	...	...	...	...	...	...	...	...	...
GS–14	...	...	...	...	...	...	...	...	–7	–469
GS–13	...	...	...	...	...	...	...	...	–40	–2,437
GS–12	...	...	...	...	...	...	...	...	–21	–1,123
GS–11	...	...	...	...	...	...	...	...	...	...
GS–9	...	...	...	...	...	...	...	...	–2	–64
GS–8	...	...	...	...	...	...	...	...	...	...
GS–7	–8	–197	...	...	...	...	...	...	–61	–1,662
GS–6	...	...	...	...	...	...	...	...	–4	–103
GS–5	...	...	...	...	...	...	...	...	–3	–68
Ungraded positions	–12	–915	...	...	...	...	...	...	–12	–915
Total positions and annual rate	–20	–1,112	...	...	...	...	...	...	–150	–6,841
Lapse(–)	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	...	...	...	–4	...	...	...	–6	–11	–908
Special personal services payments	...	...	...	...	...	...	...	...	...	–5
Total workyears and personnel compensation	–20	–1,112	...	–4	...	...	...	–6	–161	–7,754
Personnel benefits		–228		–1		...		–1		–2,670
Travel and transportation of persons		–156		...		–10		...		–831
Transportation of things		–22		...		–2		...		–35
GSA rent		–1,060		...		–5		...		–1,581
Rental payments to others		–2		...		...		...		–25
Communications, utilities		–279		–2		...		...		–868
Printing and reproduction		–16		...		...		...		–23
Other services		–736		–2		–1		–13		–2,060
Supplies and materials		–56		...		...		...		–675
Equipment		...		–1		...		...		–1,116
Total program workyears and obligations changes requested, 1994	–20	–3,667	...	–10	...	–18	...	–20	–161	–17,640

Interagency Law Enforcement
Organized Crime Drug Enforcement
Priority Rankings
Fiscal Year 1995

Base Program	
Program	Ranking
Drug Law Enforcement	1
Drug Intelligence	2
Prosecutions	3
Administrative Support	4

Interagency Law Enforcement
Organized Crime Drug Enforcement
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Organization Total

Category	1993 Authorized	1994				1995		
		Savings to Achieve Deficit Reduction	Program Decreases/ Reprogramming	Locality Pay Absorption	Appropriation Anticipated	Savings to Achieve Deficit Reduction	Program Decreases	Total
Attorneys (905)	531	...	(7)	...	524	(12)	...	512
Paralegal Specialists (950)	45	...	...	...	45	...	...	45
Investigative Assistants (1802)	1	...	...	...	1	...	...	1
Criminal Investigative series (1811)	2,374	(43)	(36)	(3)	2,292	(26)	(30)	2,236
Other Miscellaneous Occupations (001–099)	11	...	...	...	11	...	...	11
Social Science, Economics, and Kindred (100–199)	104	...	...	...	104	...	...	104
Gen. Admin., Clerical, and Office Services (300–399)	1,245	(6)	(15)	(6)	1,218	(48)	(34)	1,136
Accounting and Budget (500–599)	6	...	...	...	6	...	...	6
Total	4,317	(49)	(58)	(9)	4,201	(86)	(64)	4,051
Washington	58	...	...	...	58	...	...	58
U.S. Field	4,259	(49)	(58)	(9)	4,143	(86)	(64)	3,993
Foreign Field	...	...	...	...	...	...	...	...
Total	4,317	(49)	(58)	(9)	4,201	(86)	(64)	4,051

Interagency Law Enforcement
Organized Crime Drug Enforcement
Summary of Change
(Dollars in thousands)

	Perm Pos.	Work-years	Amount
1994 Appropriation Anticipated	4,201	4,145	$382,381
Adjustments to Base:			
Transfers to and from other accounts:			
Transfer from General Administration for FOS	...	...	67
Total, transfers	...	...	67
Mandatory Increases:			
1995 pay raise	...	...	2,991
Locality pay increase	...	...	1,521
Within-grade increases	...	...	1,524
General Services Administration (GSA) rent	...	...	51
General pricing level adjustments	...	...	1,455
Total, mandatory increases	...	...	7,542
Decreases:			
Deficit reduction	...	...	(1,350)
One less compensable day	...	...	(1,057)
Total, decreases	...	...	(2,407)
1995 Base	4,201	4,145	387,583
Program Changes:			
Drug Law Enforcement	(127)	(127)	(13,534)
Drug Intelligence	(3)	(3)	(391)
Prosecution	(20)	(20)	(3,695)
Administrative Support	...	...	(20)
Total, program changes	(150)	(150)	(17,640)
1995 Estimate	4,051	3,995	369,943

Interagency Law Enforcement
Organized Crime Drug Enforcement
Justification of Adjustments to Base
(Dollars in thousands)

	Amount
Transfers to and from other accounts:	
1. Financial Operations Service (FOS) charges	$67
Centralized financial support and check issuance services are provided to Department components by the Finance Staff. Components are assessed for these services based on real time use of the computerized Financial Management and Information System and the number of checks written. The transfer of $67,000 is based on actual use during 1993.	
Total transfers	67
Mandatory increases:	
1. 1995 pay raise	2,991
This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $2,991,000, represents pay amounts for three-quarters of the fiscal year plus appropriate benefits ($2,307,000 pay and $684,000 benefits = $3,738,000).	
2. Locality Pay	1,521
A locality pay increase for all federal employees took effect in January of 1994. The impact of this pay adjustment for the first quarter of 1995 is $1,521,000 ($1,173,000 pay and $348,000 benefits).	
3. Within-grade increases	1,524
This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $1,172,000 for pay and $352,000 for benefits.	

	Amount
4. General Services Administration (GSA) rent	51
GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $51,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of the automated system, which uses the latest inventory data and GSA-provided rates.	
5. General pricing level adjustments	$1,455
This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where increases have already been built into the 1995 estimates.	
Total mandatory increases	7,542
Decreases (Automatic non-policy)	
1. Deficit reduction savings	-1,350
In light of the personnel and resource reductions designed to achieve the Administration's goals in 1995, a reevaluation of base resources was undertaken. This request reflects savings in both payroll and non-payroll costs that will contribute to efforts to streamline service delivery.	
2. One less compensable day	-1,057
The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $824,000 for pay and $233,000 for benefits.	
Total decreases	-2,407
Total, adjustments to base	5,202

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Interagency Law Enforcement
Organized Crime Drug Enforcement
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual		1994 Appropriation Anticipated		1995 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ES-2, $101,520	...		1		1		...	
ES-1, $92,500	1		...		...		...	
GS-15, $66,609-86,589	14		12		13		1	
GS-14, $56,627-73,619	130		126		111		(15)	
GS-13, $47,920-62,293	1,420		1,383		1,316		(67)	
GS-12, $40,298-52,385	765		761		709		(52)	
GS-11, $33,623-43,712	102		102		102		...	
GS-10, $30,603-39,783	12		12		12		...	
GS-9, $27,789-36,123	162		162		163		1	
GS-8, $25,159-32,710	38		38		37		(1)	
GS-7, $22,717-29,530	538		511		477		(34)	
GS-6, $20,443-26,572	406		399		423		24	
GS-5, $18,340-23,839	156		136		141		5	
GS-4, $16,393-21,307	40		40		40		...	
GS-3, $14,603-18,986	...		...		...		...	
GS-2, $13,382-16,643	...		...		...		...	
Ungraded positions	525		518		506		(12)	
Locality pay		...		6,083		6,083		...
1995 pay increase		...		...		3,076		3,076
Total, appropriated positions	4,309	$197,938	4,201	$199,037	4,051	$195,326	(150)	($3,711)
Pay above stated annual rates	...	758	...	824	...	...	...	(824)
Lapses	(56)	(2,645)	(56)	(2,744)	(56)	(2,800)	...	(56)
Savings due to lower pay scales for part of year	...	(2,365)	...	(1,521)	...	(769)	...	752
Net full-time permanent	4,253	193,486	4,145	195,596	3,995	191,757	(150)	(3,839)
Other than permanent:								
Temporary employment	...	...	...	...	...	...	...	...
Other part-time and intermittent employment	...	506	...	...	...	...	...	...
Other personnel compensation:								
Overtime	9	278	9	377	9	376	...	(1)
Administratively uncontrollable overtime	585	25,998	564	25,655	552	24,884	(12)	(771)
Other compensation	14	448	12	336	12	332	...	(4)
Special personal services payments	...	304	...	562	...	557	...	(5)
Total, workyears and personnel compensation	4,861	221,018	4,730	222,526	4,568	217,906	(162)	(4,620)
Average ES Salary		($92,900)		($101,520)		($101,520)		
Average GS Salary		($41,517)		($43,119)		($43,766)		
Average GS Grade		(10.52)		(10.56)		(10.47)		
Average Ungraded Salary		($79,133)		($79,141)		($79,140)		

Interagency Law Enforcement
Organized Crime Drug Enforcement
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	* 1993 Actual		1994 Appropriation Anticipated		1995 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
11.1 Full-time permanent	4,253	$193,486	4,145	$195,596	3,995	$191,757	(150)	($3,839)
11.3 Other than full-time permanent	...	506	...	...	...	...	...	...
11.5 Other personnel compensation	608	26,722	585	26,368	573	25,592	(12)	(776)
11.8 Special personal services payments	...	304	...	562	...	557	...	(5)
Total, workyears and personnel compensation	4,861	221,018	4,730	222,526	4,568	217,906	(162)	(4,620)
12 Personnel benefits		65,270		66,399		64,696		(1,703)
21 Travel and transportation of persons		14,402		14,771		14,180		(591)
22 Transportation of things		2,364		2,213		2,207		(6)
23.1 GSA rent		23,540		23,188		21,022		(2,166)
23.2 Rental payments to others		589		1,450		1,475		25
23.3 Communications, utilities and miscellaneous charges		7,703		9,452		8,643		(809)
24 Printing and reproduction		310		325		309		(16)
25 Other services		27,190		25,270		23,241		(2,029)
26 Supplies and materials		6,189		5,946		5,352		(594)
31 Equipment		16,467		11,259		10,912		(347)
Total obligations		385,042		382,799		369,943		(12,856)
Financing:								
Unobligated balance available, start-of-year		(212)		(416)		...		
Unobligated balance available, end-of-year		416		...		...		
Total requirements		385,246		382,383		369,943		
Relationship of obligations to outlays:								
Total obligations		385,042		382,799		369,943		
Obligated balance, start-of-year		203,195		125,150		132,370		
Obligated balance, end-of-year		(125,150)		(132,370)		(99,663)		
Adjustments in expired accounts		...		...		...		
Outlays		$463,087		$375,579		$402,650		

* FY 1993 budget authority and outlays revised from President's Budget to reflect final agency billings.

Mr. MOLLOHAN. The Committee welcomes back the Director of the Executive Office for Organized Crime Drug Enforcement, Mr.—I understand Mr. Kramer has had a little accident on the way.

Mr. NEWTON. We apologize. He had a slipped disk and he became ill on the way up here, very severely, and physically couldn't make it. I am Lyle Newton.

Mr. MOLLOHAN. Please express our regrets.

Mr. NEWTON. I will. He expresses his regrets, as best he could express them at the time, because he was in great pain.

Mr. MOLLOHAN. In the place of Mr. Kramer, we are pleased to welcome Mr. Lyle D. Newton. Mr. Newton, we will place the written testimony of the Organized Crime Drug Enforcement Organization into the record and appreciate your proceeding with the oral statement. And first, if you will introduce the other witness at the table.

Mr. NEWTON. Thank you. I would like to introduce Mr. Gene Hausler, our Associate Director for Financial Management; John Gnorski is our Assistant Director for Financial Management. I have asked them to jump in with the financial details at any time.

Inasmuch as the testimony Mr. Kramer gave last year was very comprehensive, and the questions you asked were very comprehensive, I would like to make a very short statement, if I may, just to refresh your memory about what the Organized Crime Drug Enforcement Task Force (OCDETF) is, and then we will try to respond to any questions that you have.

GOALS

For 11 years, OCDETF has, with its 11 participant agencies, one of which just left here—and I was pleased that the new administrator had the kind words that he had to say about it—have worked together in various combinations targeting a special group of criminal organizations.

The goal of this organization, this combination of Federal, State and local agencies, is to target trafficking or money laundering organizations, and the objectives are to take out the top leadership, to deprive them of their illegal assets, and then two objectives stated in the guidelines, which I think are exemplified by some of the comments I heard a moment ago to create an environment in which Federal agencies find it advantageous to themselves and to each other to work together in concert, and to create a harmonious atmosphere.

The other objective is to make it possible for State and local agencies to join also, and the history of this program has really demonstrated that that is, in fact, the case. As it has matured, greater Federal interaction, the right combination of expertise from the 11 different parts in the Federal community. We have an average of about 5,000 to 6,000 State and local officers working in the Federal environment during any given year as teams. In the State of Kentucky an OCDETF task force case would probably consist of a few Federal agents from two or three agencies, a prosecutor and a combination of local enforcement officers and agents.

That unique combination, especially with the involvement of prosecutors at the outset of investigations have made this program successful.

In summary then, to refresh your memory, what happens in OCDETF is that the difficult, complex investigations and an expert group of people ask what are the unique features that are needed from whatever sources: IRS, INS, FBI, to maximize the attack on those organizations. And this model has been extremely successful and, in fact, has been endorsed I think three consecutive years in the National Drug Control Strategy as an extremely successful vehicle to accomplish that goal and those four objectives.

The last thing I would like to say by way of introduction, is that we have been very involved in the examination of OCDETF activities from the standpoint of productivity and performance measures. We have worked with representatives from each of the agencies, two or three of them were in this room earlier. These high-level management teams, from each of the agencies, have focused on greater productivity with our resources, limited as they tend to be. We have learned from our experiences and with the National Performance Review people and with other review combinations, OCDETF will continue to mature.

They continue to strive to mature even greater. And I would like to conclude by thanking you for your past support and hope that we will hear the same kind of continuing support. We are proud of what has happened in the 11 years that we have been in business and look forward to more accomplishments down the road.

[The prepared statement of Mr. Kramer follows:]

DEPARTMENT OF JUSTICE
ORGANIZED CRIME DRUG ENFORCEMENT

STATEMENT OF
DIRECTOR, EXECUTIVE OFFICE FOR OCDETF
FREDERICK W. KRAMER
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am very pleased to be here to testify before you in support of the most successful Federal/State and local law enforcement program today --- the Organized Crime Drug Enforcement (OCDE) Task Force Program. I would like to take this opportunity to express our appreciation for the support Congress has provided in the past.

For the years 1985 - 1989, resources for the Organized Crime Drug Enforcement (OCDE) Task Forces were appropriated directly to the participating agencies. Beginning in 1990, Congress appropriated Task Force resources directly to the OCDE appropriation. OCDE resources are now fully coordinated and provided to the member agencies from this appropriation through reimbursable agreements.

Before going into the details of our request, I would like to take a few minutes to provide you with some background regarding the OCDE Task Force Program approach and to describe the nature of the Program.

BACKGROUND

The goal of the Organized Crime Drug Enforcement Task Force Program, as stated in its Guidelines, is "to identify, investigate, and prosecute members of high-level drug trafficking enterprises and to destroy the operations of those organizations."

The coordination of investigative and prosecutorial resources and the sharing of information are at the heart of the OCDE Task Force approach. In an environment where large-scale drug trafficking networks involve multi-national suppliers, sophisticated money-launderers, and domestic distribution organizations, an approach based on coordinated activity and shared information is imperative.

The criteria for selection of Task Force investigations are designed to assure that each investigation chosen is of a type and magnitude that will derive maximum benefit from utilization of the Task Force approach and will merit commitment of Task Force resources. Investigations that require the expertise of more than one investigative agency, involve major drug trafficking figures or organizations, and involve activity in more than one jurisdiction are prime candidates for consideration as Task Force cases. The effectiveness of OCDE Task Force case management is materially enhanced by Assistant U.S. Attorney (AUSA) involvement at the early stages of the investigation.

The Executive Review Board, chaired by the Deputy Attorney General, is composed of senior officials from agencies of the Treasury, Transportation, and Justice Departments. The Board

provides national oversight of the Program. The Washington Agency Representatives Group, composed of high-level managers from each member agency, provides problem resolution research for the Board. The Executive Office for the OCDE Task Forces serves as the first-echelon point of contact when Washington intervention or assistance is required. This office is also responsible for financial management, records management, and maintenance and support to field operations in the 13 OCDE Task Force regions.

The Task Forces are managed on a daily basis at the regional level. The organization of each region has two principal structural components: The Task Force Advisory Committee and the Task Force Coordination Group. The Advisory Committee oversees the Task Force, setting regional policy, while the Coordination Group provides daily coordination services for the Task Force.

Each regional Advisory Committee is composed of all the region's United States Attorneys, the Assistant United States Attorney (AUSA) Task Force Coordinator, the Lead Task Force Attorneys in the non-core Districts, the coordinators for each participating agency, and the senior regional representatives of those agencies. As the Senior Official responsible for each Task Force's performance, the Core City United States Attorney chairs the Committee and supervises the AUSA Task Force Coordinator.

The Task Force Coordination Group plays a central role in coordinating the OCDE Task Force Program. Consisting of the AUSA Task Force Coordinator, coordinators from each participating Federal agency, and representatives from State or local law

enforcement organizations, the Coordination Group evaluates and approves or disapproves cases proposed for Task Force designation. The Coordination Group reviews the use of Task Force resources, monitors the progress of all OCDE Task Force investigations, resolves disputes, and facilitates cooperation between agencies and among regions.

In the non-core Districts, District Drug Enforcement Coordination Groups review investigation selection, resource allocation, and the progress of Task Force efforts. Each non-core city United States Attorney selects an Assistant United States Attorney to serve as Lead Task Force Attorney for the district. This Lead Task Force Attorney coordinates case selection and monitoring with representatives of the participating agencies, is responsible for reporting district activities, and serves as liaison with the Core City Task Force office.

From the Program's inception, State and local law enforcement and prosecution agencies have worked closely with the Task Forces. The OCDETF Guidelines promote the coordinated involvement of State and local authorities in investigating, apprehending, and prosecuting major drug traffickers and their organizations. The increase in State and local participation significantly expands the available resources and broadens the choice of venue for prosecution. Since the inception of the Program in 1982, Task Forces have entered into approximately 8,000 agreements with State and local governments across the country and more than 21,000 State and local officers have taken part in the Task Force Program.

Four features facilitate such coordination within the OCDE Task Force Program. First, States and localities are eligible for reimbursement from the Federal Government for designated expenses incurred when they participate in Task Force cases. Second, State and local enforcement officials can be deputized as Federal officers under appropriate circumstances. Third, the OCDE Task Force Program facilitates the cross designation of attorneys, with Federal attorneys participating in State prosecutions and State attorneys in Federal prosecutions. Finally, the OCDE Task Force Program contributes to the equitable sharing of assets forfeited by drug traffickers. Many asset seizures and forfeitures would not have happened without the support and teamwork afforded through the OCDE Task Force Program.

ACCOMPLISHMENTS

The OCDE Task Force Program strategy has been able to immobilize drug trafficking and money laundering organizations by prosecuting and incarcerating organization members and, where appropriate, extraditing or deporting them and divesting them of their power through forfeiture of organizational and individual assets. The OCDE Task Force Program has attacked organized drug trafficking from the top, instituting in-depth investigations leading to the prosecution and conviction of the highest level drug traffickers. The Program's member agencies, acting in concert with numerous State and local agencies, have disabled major drug trafficking organizations by removing the key individuals who

provided these organizations with leadership, capital, and expertise.

The OCDE Task Force Program's synchronization of multiple investigations against common organizations; its effective use of attorneys at the early stages of investigations; its use of financial investigations to reach otherwise invulnerable targets; and its unprecedented success in fostering collaboration among law enforcement agencies from all jurisdictions have demonstrated the efficacy of the OCDE Task Force's operational model.

In the years since its creation, the OCDE Task Force has established itself as the "flagship" of the Federal drug enforcement effort. Its role in directing thorough, imaginative, and wide-ranging assaults on the movements and activities of high-level drug dealers is widely recognized. It also provides one of the crucial links between Federal and State authorities, thereby enhancing the exchange of information and enforcement strategies.

Statistical:

During the first twelve years of operation, the Task Force Program has recorded impressive results. From its inception late in 1982, the Program has initiated 6,171 investigations resulting in 16,768 indictments or informations. 34,375 members of criminal organizations have been convicted and 29,444 or 88 percent have been incarcerated, 8,907 of which are serving over ten years in prison for their crimes. During this same period, over $2.8 billion in cash and property have been seized. Specific examples

of cases displaying the close cooperation of participating member agencies are available upon request.

Regional Drug Intelligence Squads (RDIS):

The Department of Justice and Related Agencies Appropriations Act, 1993, provided the OCDE appropriation with $13.7 million originally requested in the direct appropriations of the Drug Enforcement Administration (DEA) and the Federal Bureau of Investigation (FBI) to consolidate the Regional Drug Intelligence Squad. An additional $2.0 million was also made available by Congress to expand this effort. The $2.0 million was subsequently released to the FBI for the purchase of computer equipment and software to link the current eight RDIS locations. Final Congressional action on the FY 1994 OCDE appropriation resulted in the reduction of $2,000,000 in non-recurring funds, bringing the FY 1994 funding level to $13.8 million. The 1995 request for the RDIS is $13.5 million.

The function of these squads is to foster, support, and facilitate the collection, analysis, exchange, and utilization of drug-related information. The squads will also develop intelligence to provide a clear understanding of the scope and dimension of drug trafficking and drug abuse within the OCDETF regions.

General:

In response to the Governmental Performance and Results Act of

1993, and in anticipation of the Presidential requirements to refine performance in all government operations, the OCDE Task Force Washington Agency Representatives Group (WARG) commenced a major Performance Measure refinement process in June 1993. The WARG committee examined past practices and concluded that while major accomplishments have occurred consistently, the measurement of goal attainment fell short.

After extensive research and negotiation, the WARG reached consensus on a design which will provide results-oriented performance measures to judge the attainment of the goals of the OCDE Task Force Program. At the same time, the new OCDE Task Force performance measures will meet the Governmental Performance and Review Act requirements as well as other Administration initiatives designed to improve overall performance.

By refining consistently the management process, the OCDE Task Force Program has reached an enviable level of maturity and productivity. It has become the model for comprehensive and well coordinated efforts to deal with major drug trafficking and drug-related criminal activities. By overcoming past concerns about working together, Federal, State, and local law enforcement and prosecution agencies have proven that their combined and coordinated efforts can be successful in attacking major drug crime organizations at the root where they can be permanently disabled or destroyed.

The successes of the past are a prediction of even greater positive results for the future. The OCDE Task Force Program has

proven that good management coupled with skill, dedication, and the willingness to respond to the dynamics of a changing world are powerful tools in the fight against criminal drug activity.

1995 REQUEST

The 1995 request for the OCDE Task Force Program totals 4,051 reimbursable positions, 3,995 reimbursable workyears and $369.9 million. This includes resources for drug intelligence (Regional Drug Intelligence Squads), drug law enforcement, and prosecution support for the eleven member agencies. The request for the OCDE Task Force Program includes a program decrease of 150 positions, 150 workyears, and $17.6 million. This includes a decrease of 86 positions, 86 workyears, and $16.1 million to meet the Administration's commitment to reduce the federal workforce and to control the Federal deficit through reductions in administrative expenses; and 64 positions, 64 workyears, and $1.5 million for absorption of the FY 1994 locality pay requirements. Every effort will be made to minimize the impact on the direct operational mission of the OCDE Task Force Program by targeting savings in administrative areas such as travel, training, supplies, etc., and through the prioritization of cases. The program decreases are as follows:

-- Drug Enforcement Administration (DEA): A program decrease of 22 reimbursable positions (10 agents) and $4.598 million is requested for DEA.

-- Federal Bureau of Investigation (FBI): A program decrease of 80 reimbursable positions (30 agents) and $5.042 million is requested for the FBI.

-- Immigration and Naturalization Service (INS): A program decrease of 4 reimbursable positions and $493 thousand is requested for INS.

-- U.S. Marshals Service: A program decrease of $10 thousand is requested for the U.S. Marshals Service.

-- Internal Revenue Service (IRS): A program decrease of 11 reimbursable positions (8 agents) and $1.650 million is requested for IRS.

-- U.S. Customs Service (USCS): A program decrease of 7 reimbursable positions (5 agents) and $1.293 million is requested for the USCS.

-- Bureau of Alcohol, Tobacco and Firearms (BATF): A program decrease of 3 agent reimbursable positions and $441 thousand is requested for BATF.

-- U.S. Coast Guard: A program decrease of $7 thousand is requested for the U.S. Coast Guard.

-- Regional Drug Intelligence Squads (RDIS): A program decrease of 3 reimbursable support positions and $391 thousand is requested for RDIS.

-- United States Attorneys (USA): A program decrease of 20 reimbursable positions (12 attorneys) and $3.667 million is requested for the USAs.

-- Criminal Division: A program decrease of $10 thousand is requested for the Criminal Division.

-- Tax Division: A program decrease of $18 thousand is requested for the Tax Division.

-- Executive Office: A program decrease of $20,000 is requested for the Executive Office.

CLOSING COMMENTS

By targeting sophisticated drug organizations and the powerful figures leading them, the OCDE Task Force Program has demonstrated an ability to strike at the heart of illegal drug trafficking. By initiating investigations that demanded a high degree of interagency collaboration, the OCDE Task Force Program draws on the expertise of its members in a way never before achieved. By making full use of all of the techniques of financial investigations, the

Task Forces have successfully prosecuted traffickers who may not have been reached in any other way. The evidence is persuasive that implementation of this Program and its strategy undermines, damages, and destroys major drug trafficking organizations.

In the face of the increasing demand for limited resources, OCDE Task Force policy makers and management officials have intensified and will continue to intensify their efforts to measure and control the quality of OCDE Task Force activities by establishing the highest level priorities.

I want to thank this Subcommittee again for its support and interest. I will be pleased to answer questions you may have.

POSITION REDUCTION

Mr. MOLLOHAN. Well, I am struck by the reductions that you are requesting. I am reading here that it is spread across the OCDE Task Force participating agencies detailed in the following two tables here.

One of them indicates a permanent position reduction of 150 and another one represents a permanent position reduction of 86. I am not sure of the difference between them. For an organization that is doing awfully good work, helping to coordinate and fight the war on crime, you are requesting a lot of reductions here. How is that going to impact your efforts?

Mr. NEWTON. Well, any reduction has the potential of impacting. My comments about examining and trying to maximize procedures, to examine very closely the cost benefit, to evaluate, and to develop greater performance measures, all of these things are being done to try to minimize the negative impact of the reductions that you have noted.

I just have to respond the same way that I heard others respond to you, is that in this economic time, that OCDETF is taking a small part of the deficit reduction hit.

PROPOSED ELIMINATION OF OCDETF

Mr. MOLLOHAN. What is your reaction to the proposal being kicked around to eliminate you?

Mr. NEWTON. Well, Mr. Constantine's observations I noted with great interest we have also seen a great deal of input from a variety of sources regarding the proposal, from both the prosecution and law enforcement agencies. Most take a contrary position to the notion of abolishing or eliminating OCDETF. There is a great deal of support for OCDETF.

Earlier today, as part of our normal communication with the Deputy Attorney General's office, we discussed this hearing and that question, and from the Deputy Attorney General's office, we were advised that that proposal is not under active consideration at this time.

Mr. MOLLOHAN. Mr. Rogers?

Mr. ROGERS. Well, I am encouraged by that. I hope that that is accurate. It makes imminent sense to keep this organization as it is. It is being successful. I mean the records show that you have, in fact, taken the heads off organized crime in this country. Not you especially, but OCDETF and the other agencies have certainly coordinated through OCDETF's work, a lot of it, and it would seem a shame to me to dismantle that effort at this point in time.

Mr. NEWTON. I would just like to say that there are 150 major traffickers from your State that are no longer there. They are in prison.

FTE REDUCTIONS

Mr. ROGERS. That is good. We have got another 150.

Now, you are requesting a decrease of 150 FTEs, including 56 agents and 12 attorneys. And that is on top of a 3 percent reduction in 1994. And those reductions are far greater than the 4 percent reduction mandated by the President's Executive order.

Do you have any idea why you are being asked to bear greater share of the Federal work force reductions than most other agencies?

Mr. NEWTON. I want to ask Mr. Hausler to join in here.

Mr. HAUSLER. Since 1993, we have taken about a 6 percent reduction in staffing and about a 4 percent reduction in funding. And it simply represents our proportion of the overall Federal budget's effort to streamline and reduce the deficit.

The Department of Justice has overall enforcement priorities, and in terms of funding critical requirements such as prisons, immigration reform and other initiatives a higher proportion of the increases went to support those. Therefore, so the remainder of the agencies ended up taking the necessary reductions in order to fund those requirements.

IMPACT OF REDUCTIONS

Mr. ROGERS. What has been the impact of the 1994 reductions on your programs?

Mr. NEWTON. It has caused everybody out there, I think, to be very careful, examine the criteria more closely to determine the quality of the cases. Quality control is a matter that we have been interested in since the beginning of the program. It is very easy to take on an investigation, but it is more difficult to ensure that you are targeting the highest level, the most difficult, the most complex. So over the entire length of the program, but more especially over the last two or three years, all of the people in the field that are bringing these cases forward are making sure that the organizations out there that are doing the most damage in their respective locations are those that they spend their resources on.

So I think the answer to your question is that it has, in fact, cut down on the quantity, or the total number of targets that can be addressed, but has also increased the quality of the investigations to ensure the highest level of targeting.

Mr. ROGERS. Well, at a time when we are seeing enormous increases in the crime rate, and I was struck by Mr. Constantine's written statement at some of the statistics that are just absolutely astounding. These are not related all to organized crime, but a lot of it is, I suspect, the way the violent crime has increased 371 percent since 1960, and I am quoting from his statement these figures.

In 1960, 666 violent crimes were reported daily. In 1991, that had grown to 5,200. In 1960, 9,140 people were murdered. Last year, 24,000 people were murdered. The murder rate per 100,000 population almost doubled in that 30 years. Aggravated assaults are way up. In 1960 there were 130,000 assaults. In 1992 there were 1.1 million. In 1960, a murder was committed every 58 minutes. In 1992, a murder occurs every 22 minutes.

Forty-eight percent of all homicides, he says, are drug-related. These are some astounding numbers, and in spite of those tremendous increases that we are seeing in the rate of crime, even as we hold this hearing, downstairs in the House chamber we are debating a crime bill that will add dozens of new death penalty statutes, as well as new crimes, Federal crimes, federalized State crimes. And in spite of all of that, you are requesting these decreases.

We are seeing—in your statement you say DEA, decrease, 10 agents. FBI, decrease, 30 agents. I am talking about people to assigned to OCDETF. INS, Immigration Service, decrease of four. U.S. Marshals, decrease. Internal Revenue, decrease. U.S. Customs Service, decrease. BATF, decrease. Coast Guard, decrease, regional drug intelligence squads, decrease, U.S. Attorneys, decrease criminal division, tax division, executive office, decrease, decrease, decrease.

It is just almost unbelievable, in the face of these huge increases in the crime rate and the new crimes you are going to have to be dealing with, that the administration is cutting back on the people assigned to deal with that. Can you explain that?

Mr. NEWTON. Well, I can't give you a much better answer than what you have heard from previous witnesses, except that in economically tough times, the request that we have submitted, the decreases, reflect what our share in the deficit reduction effort.

Mr. ROGERS. What was your request to OMB?

Mr. HAUSLER. We requested 4,069 FTE and $374 million.

Mr. ROGERS. Okay. Well, good luck and thank you.

VIOLENT CRIME

Mr. NEWTON. May I respond to the other part of your comment? We have new interesting information, about violence and drug trafficking. We surveyed our people in the field on the first of this month in an effort to determine the extent to which the OCDETF program has been involved in addressing violence, and violent organizations.

62 percent of the Federal judicial districts have reported and to this date, and it is very interesting, that of those major organizations that I have discussed and described before, 20 percent of all of those organizations have demonstrated violent activity associated with the OCDETF investigation with an additional 32 percent being potentially violent.

The OCDETF program has been responsive and we will provide in our written testimony some examples of the way in which the folks out there have used imaginative approaches to be responsive to the combination of very violent and very devastating trafficking organizations. I will provide for you an example of an organization that dominated the better part of the metropolitan St. Louis for a decade and it was only through the OCDETF combination of five or six agencies and prosecutors that seven life sentences were recently handed down for a group that had committed 11 murders and untold assaults and other violent crimes. So it really boils down, I think, to working smarter and better in that kind of an environment.

Mr. ROGERS. Have you gotten involved yet in these drug, teenage drug gangs? Is that within your purview?

Mr. NEWTON. Well, to the extent that the gangs have organizational characteristics, they have been accepted into the OCDETF program. There are Crips and Bloods gangs that are organized they send people across the country to establishing themselves. The floating loose group on the street corner which you really can't target it as an organization, is not appropriately an OCDETF target.

Mr. ROGERS. How extensive is the, not necessarily the Crips and Bloods, but organizations like them, new, young, teenage, mainly? How widespread is that around the country now?

Mr. NEWTON. Quite widespread. I think we have—I can dig out better numbers, specific numbers for you, but all over the country you have groups. I come from Wichita, Kansas, an isolated, quiet, medium-sized town, and my mother is still living out there. They have a gang problem the likes of which you just wouldn't believe, roving gangs and drive-by shootings and everything else. It is everywhere.

There needs to be a response from a variety of directions. Our mission is to focus on those that do have some kind of an organizational structure with a leadership that you can take out and break it up.

Mr. ROGERS. Thank you.

Mr. MOLLOHAN. Thank you. Thank you, Mr. Newton. We appreciate your testimony here today. Please express again our condolences to Mr. Kramer.

Mr. NEWTON. I will. He apologizes that he was not able to be here.

Mr. MOLLOHAN. The hearing is adjourned.

WEDNESDAY, APRIL 20, 1994.

GENERAL LEGAL ACTIVITIES

CIVIL LIBERTIES PUBLIC EDUCATION FUND

RADIATION EXPOSURE COMPENSATION TRUST FUND

RADIATION EXPOSURE COMPENSATION ADMINISTRATIVE EXPENSES

WITNESSES

JAMIE S. GORELICK, DEPUTY ATTORNEY GENERAL, UNITED STATES DEPARTMENT OF JUSTICE

DREW S. DAYS, III, SOLICITOR GENERAL, UNITED STATES DEPARTMENT OF JUSTICE

LORETTA C. ARGRETT, ASSISTANT ATTORNEY GENERAL, TAX DIVISION, UNITED STATES DEPARTMENT OF JUSTICE

JO ANN HARRIS, ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION, UNITED STATES DEPARTMENT OF JUSTICE

FRANK S. HOLLEMAN, III, DEPUTY ASSISTANT ATTORNEY GENERAL, CIVIL DIVISION, UNITED STATES DEPARTMENT OF JUSTICE

MYLES E. FLINT, DEPUTY ASSISTANT ATTORNEY GENERAL, ENVIRONMENTAL AND NATURAL RESOURCES DIVISION, UNITED STATES DEPARTMENT OF JUSTICE

WALTER DELLINGER, ASSISTANT ATTORNEY GENERAL, OFFICE OF LEGAL COUNSEL, UNITED STATES DEPARTMENT OF JUSTICE

DEVAL L. PATRICK, ASSISTANT ATTORNEY GENERAL, CIVIL RIGHTS DIVISION, UNITED STATES DEPARTMENT OF JUSTICE

SHELLEY G. ALTENSTADTER, CHIEF, INTERPOL-U.S. NATIONAL CENTRAL BUREAU, UNITED STATES DEPARTMENT OF JUSTICE

ANDREW J. BOOTS, DIRECTOR, SYSTEMS TECHNOLOGY STAFF, UNITED STATES DEPARTMENT OF JUSTICE

STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION, UNITED STATES DEPARTMENT OF JUSTICE

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL CONTROLLER, UNITED STATES DEPARTMENT OF JUSTICE

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF, UNITED STATES DEPARTMENT OF JUSTICE

BUDGET REQUEST

Mr. MOLLOHAN. The committee will come to order.

Continuing with our review of the Department of Justice, we will now hear testimony concerning the General Legal Activities Appropriation, the Radiation Exposure Compensation Program, and the Civil Liberties Public Education Fund.

We will insert in the record at this point the fiscal year 1995 budget justifications for these accounts.

[The justifications follow:]

Legal Activities
Salaries and expense, General Legal Activities
Summary Statement
Fiscal Year 1995

For 1995, the General Legal Activities (GLA) appropriation seeks a total budget of 3,618 positions, 3,896 workyears (including 280 reimbursable workyears) and $432,696,000. This resource level represents an overall increase of 94 positions and 38 workyears (10 reimbursable) above 1994 staffing levels; the requested funding level is $25,462,000 above the anticipated appropriation for 1994. Adjustments to base include a transfer of $200,000 from the Working Capital Fund for mail management services; mandatory increases of $20,667,000; and non-recurring decreases of $2,422,000.

In order to stay within overall resource levels prescribed by the Administration, base level reductions of 21 positions and 21 workyears are requested. The request also includes program decreases totalling 60 positions, 71 workyears and $9,229,000 to implement two Administration initiatives, as discussed below:

Permanent Position and Workyear Reduction. In order to meet personnel levels established by the Administration, a reduction of 60 positions and $5,960,000 is requested to be spread as follows: Office of the Solicitor General - 1 position and $89,000; Tax Division - 16 positions and $1,512,000; Criminal Division - 12 positions and $1,020,000; Civil Division - 16 positions and $1,545,000; Environment Division - 7 positions and $690,000; Office of Legal Counsel - $47,000; Civil Rights Division - 7 positions and $977,000; Interpol - 1 position and $80,000. These reductions represent the Administration's commitment to reduce the Federal work force by 252,000 positions by 1999.

Administrative Reduction. A total reduction of $3,269,000 is also requested to reduce administrative expenses to assist in controlling the Federal deficit and to improve the Federal Government's administrative productivity. The reduction is spread as follows: Office of the Solicitor General - $44,000; Tax Division - $476,000; Criminal Division - $606,000; Civil Division - $944,000; Environment Division - $427,000; Office of Legal Counsel - $30,000; Civil Rights Division - $472,000; Interpol - $51,000; Legal Activities Office Automation fund - $219,000. These reductions are necessary to further reduce Federal spending in 1995 and beyond.

Also for 1995, program decreases totalling $2,599,000 are requested to quantify the effects of absorbing the expense of locality based pay costs. The requested decreases are spread as follows: Office of the Solicitor General - $40,000; Tax Division - $428,000; Criminal Division - $580,000; Civil Division - $740,000; Environment Division - $330,000; Office of Legal Counsel - $31,000; Civil Rights Division - $417,000; and Interpol - $33,000.

In addition to the cross-organizational initiatives discussed above, the Department seeks the following enhancements which are unique to the individual GLA components. Those specific program increases are requested as follows:

Office of the Solicitor General. Program increases of 1 position, 1 workyear and $89,000; $150,000; and 2 workyears and $108,000 are requested to address increased workload; to fund unfunded positions and workyears and to fund the Office's 1-year clerkship program, respectively.

Civil Division. The Division seeks an enhancement of 7 workyears to handle increased workload associated with the Vaccine Injury Compensation Trust Fund litigation and $3,215,000 for automated litigation support for A-12 litigation. Further, an additional 7 positions and 4 workyears are sought for the Management and Administration program to perform various administrative tasks currently being performed by contract personnel. The Division will fund the increase in positions and workyears by using existing resources. The Division estimates that replacing contractors with lower-cost Division employees will result in a savings of $104,000 in 1995.

Environment Division. The Division seeks program enhancements totalling 85 positions (43 attorneys), 64 workyears and $6,138,000. The additional resources will allow the Division to handle anticipated growth in international workload (2 positions, 1 workyear and $$92,000); complete implementation of the initiative to provide four attorneys for each EPA region; defend against an expected increase in the number of Federal Facility liability and Clean Air Act Amendments cases; staff EPA's multi-media enforcement initiative; enhance enforcement activities in natural resource damage claim cases and Federal Facility cases wherein the Government seeks to recover cleanup costs (63 positions, 53 workyears and $2,931,000). Also, the Division will be able to increase litigation activities in takings, water rights and royalty matters; handle an increase in the number of general stream adjudications; and address more matters filed under the Endangered Species Act (16 positions, 8 workyears and $735,000). Included in the total request, are resources to enable the Division to provide better administrative support to the growing litigation staff (4 positions, 2 workyears and $141,000). Finally, additional funding is sought to enhance the automated litigation support activity ($2,239,000).

Office of Legal Counsel. The Office seeks a program enhancement of $72,000 to allow it to staff up to its current position and workyear ceiling level.

Civil Rights Division. Program increases totalling 47 positions (20 attorneys), 31 workyears and $5,693,000 are sought to allow the Division to reduce the number of pending criminal investigations and to increase the rate at which prosecutable incidents are investigated and prepared for indictment (4 positions, 2 workyears and $368,000); to handle litigation and other enforcement duties under recently enacted Voting Rights laws, specifically, this increase will enable the Voting

section to maintain the number of Section 5 submissions reviewed while also increasing the number of claims litigated (8 positions, 4 workyears and $520,000); to increase the number of Title VII and Title I cases and investigations commenced per year, and to address the continual rise in agency referrals (1 position, 1 workyear and $132,000); to continue the mortgage lending and fair housing testing initiatives started in 1991 (1 position, 1 workyear and $132,000); to increase the level of litigation activity, compliance and technical assistance in the Public Access program (22 positions, 11 workyears and $4,541,000). Also, the Division seeks an additional 11 positions that will provide administrative services currently being performed by contract staff. The Division will fund the increase in positions and workyears by using existing resources. The Division estimates that replacing contractors with lower-cost Division employees will result in an annual savings of $117,000.

Further, in 1995, the Office of Special Counsel (OSC) will be merged with the Civil Rights Division (CRT). In consummating the merger, base resources of 35 positions, 36 workyears and $4,641,000 will be added to CRT's resource levels. In addition to the base funding, CRT seeks, on behalf of the OSC, an enhancement of 25 positions 13 workyears and $5,000,000 to fund OSC's portion of the Immigration and Naturalization employer sanctions initiative. This program enhancement includes $2,000,000 to strengthen enforcement of the Immigration Reform and Control Act's prohibition of national origin and citizenship discrimination in employment and $3,000,000 for grants and outreach efforts to educate employees and employers about the requirements of Section 102 of IRCA.

Legal Activities
Salaries and expenses, General Legal Activities
Justification of Proposed Changes in Appropriation Language

The 1995 budget estimates include proposed changes in the appropriation language listed and explained below. New language is **underscored in bold** and deleted matter is [enclosed in brackets].

Salaries and expenses, General Legal Activities

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and rent of private or Government owned space in the District of Columbia; [$403,968,000] **$432,696,000**; of which not to exceed $10,000,000 for litigation support contracts shall remain available until expended: Provided, That of the funds available in this appropriation, not to exceed $50,099,000 shall remain available until expended for office automation systems for the legal divisions covered by this appropriation, and the United States Attorneys, the Antitrust Division, and offices funded through "Salaries and expenses", General Administration: Provided further, That of the total amount appropriated, not to exceed $1,000 shall be available to the United States National Central Bureau, INTERPOL, for official reception and representation expenses: **Provided further, That notwithstanding 31 U.S.C. 1342, the Attorney General may accept on behalf of the United States, gifts of money, personal property and services, for the purpose of hosting the Criminal Police Organization's (INTERPOL) American Regional Conference in the United States during fiscal year 1995**: Provided further, That notwithstanding 31 U.S.C. 3302, for fiscal year 1995 and thereafter, the Attorney General shall establish and collect fees to recover all direct and indirect expenses of the Gambling Registration Unit, pursuant to the Gambling Devices Registration Act, and shall credit such fees to this appropriation, to remain available until expended.

In addition, for reimbursement of expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986, not to exceed [$2,000,000] **$3,000,000** to be appropriated from the Vaccine Injury Compensation Trust Fund, as authorized by section 6601 of the Omnibus Budget Reconciliation Act, 1989, as amended by Public Law 101-509 (104 Stat. 1289). (19 U.S.C. 1619; 21 U.S.C. 886; 28 U.S.C. 501, 505-506, 510-520, 524-526; 48 U.S.C. 1424, 1617, 1694; 50 U.S.C. App. 6; **Department of Justice and Related Agencies Appropriations Act, 1994**.)

Explanation of changes:

1. The first and the last changes update the 1994 language to coincide with the 1995.
2. The second change adds language to provide gift authority to the Attorney General for hosting the 1995 INTERPOL American Regional Conference.
3. The third change increases the amount of reimbursable authority under the Vaccine Injury Act of 1986.

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities

Crosswalk of 1994 Changes

(Dollars in thousands)

Budget Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Adjustment in Workyear Ceiling		Transfers	Attorney General Decisions			1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	48	51	$5,518	0	0	$0	0	1	$0	0	0	$120	48	52	$5,638
2. General tax matters	669	666	59,463	0	0	0	0	6	0	0	0	0	669	672	59,463
3. Criminal matters	745	750	75,709	0	0	0	0	16	2,235	0	0	0	745	766	77,944
4. Claims, customs and general civil matters	971	994	117,927	8	8	400	0	22	0	0	0	0	979	1,024	118,327
5. Land, natural resources and Indian matters	419	639	53,364	0	0	0	0	31	0	0	0	0	419	670	53,364
6. Legal opinions	37	41	3,727	0	0	0	0	1	0	0	0	94	37	42	3,821
7. Civil rights matters	508	495	54,536	0	0	0	0	31	1,031	0	0	0	508	526	55,567
8. INTERPOL – U.S. National Central Bureau	64	64	6,406	0	0	0	0	4	0	0	0	0	64	68	6,406
9. Legal activities office automation	0	0	27,346	0	0	(4,816)	0	0	0	0	0	(214)	0	0	22,315
10. Special counsel for discrimination	36	35	4,369	0	0	0	0	1	0	0	0	0	35	36	4,369
Total	3,516	3,735	408,364	8	8	(4,416)	0	115	3,266	0	0	0	3,524	3,858	407,234

Congressional Appropriation Actions
The final Congressional mark – up for the General Legal Activities provided a general reduction of $4,816,000 and a program increase of 8 positions, 8 workyears and $400,000 for the Civil Division to partially fund the 1994 Immigration Initiative. The final distribution of appropriated funding, as approved by the Attorney General, provided additional resources to the Solicitor General and the Office of Legal Counsel to pay for locality based pay costs.

Adjustment in Workyear Ceiling
These adjustments are made to accommodate the inclusion of certain classes of employees in workyear ceiling limitations.

Transfers
Under the Attorney General's authority to transfer up to five percent of current year appropriations, $2,235,000 was transferred to the Criminal Division for BNL investigation activities and $1,031,000 was transferred to the Civil Rights Division to forward fund the housing and civil enforcement initiative. Both transfers were made from the Fees and Expenses of Witnesses appropriation.

Attorney General Decisions
The final distribution of appropriated funding, as approved by the Attorney General, provided additional resources to the Solicitor General and the Office of Legal Counsel to pay locality based pay costs.

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities

Summary of Requirements

(Dollars in thousands)

	Perm. Pos.	WY.	Amount
1994 as Enacted	3,524	3,477	$403,968
1994 Adjustment in Workyear Ceiling	0	115	0
Transfer to Criminal Division for BNL investigation	0	0	2,235
Transfer to Civil Rights Division for housing & civil enforcement initiative	0	0	1,031
1994 Appropriation Anticipated	3,524	3,592	407,234
Transfer of Mail Messenger Operations	0	0	200
Base adjustment to continue housing & civil enforcement initiative	18	18	1,646
Non-recurring decrease for 1994 transfers	0	0	(3,266)
Mandatory increases	0	0	20,667
Non-policy Decreases	(21)	(23)	(2,422)
Total, Adjustments to Base	(3)	(5)	16,825
1995 Base	3,521	3,587	424,059

Estimates by Program	1993 Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	49	51	$5,336	49	51	$5,460	48	52	$5,638	48	52	$6,007	48	54	$6,181	0	2	$174
2. General tax matters	699	687	57,123	699	687	56,490	680	660	59,463	676	647	62,299	660	625	59,883	(16)	(22)	(2,416)
3. Criminal matters	849	784	73,292	849	784	71,023	745	762	77,944	737	754	77,747	717	734	75,541	(20)	(20)	(2,206)
4. Claims, customs and general civil matters	984	991	114,381	984	991	109,531	979	1,006	118,327	979	1,006	124,255	970	1,001	124,241	(9)	(5)	(14)
5. Land, natural resources and Indian matters	425	421	51,445	425	421	49,488	419	446	53,364	419	446	56,889	497	482	61,580	78	36	4,691
6. Legal opinions	38	42	3,613	38	42	3,466	37	42	3,821	37	42	4,027	37	41	3,991	0	(1)	(36)
7. Civil rights matters	516	496	52,700	516	496	53,857	508	520	55,567	561	574	63,358	626	610	72,185	65	36	8,827
8. INTERPOL – U.S. National Central Bureau	78	78	6,184	78	78	6,181	64	66	6,406	64	66	6,649	63	65	6,485	(1)	(1)	(164)
9. Legal activities office automation	0	0	27,184	0	0	27,196	0	0	22,315	0	0	22,828	0	0	22,609	0	0	(219)
10. Special counsel for discrimination	36	36	4,242	36	36	4,229	35	36	4,369	0	0	0	0	0	0	0	0	0
Total	3,674	3,586	395,500	3,674	3,586	386,920	3,524	3,592	407,234	3,521	3,587	424,059	3,618	3,612	432,696	97	25	8,637
Reimbursable Workyears		270			270			266			266			284			18	
Total Compensable Workyears		3,856			3,856			3,858			3,853			3,896			43	

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities
Justification of Multi-Activity Program Changes
(Dollars in thousands)

Budget Activity/Program	1996 FTE Reductions			1996 Administrative Savings			1995 Locality Pay			Total		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Office of the Solicitor General	(1)	(1)	($89)	0	0	($44)	0	0	($40)	(1)	(1)	($173)
2. Tax Division	(16)	(22)	(1,512)	0	0	(476)	0	0	(428)	(16)	(22)	(2,416)
3. Criminal Division	(12)	(12)	(1,020)	0	0	(606)	0	0	(580)	(12)	(12)	(2,206)
4. Civil Division	(16)	(16)	(1,545)	0	0	(944)	0	0	(740)	(16)	(16)	(3,229)
5. Environment Division	(7)	(10)	(690)	0	0	(427)	0	0	(330)	(7)	(10)	(1,447)
6. Office of Legal Counsel	0	(1)	(47)	0	0	(30)	0	0	(31)	0	(1)	(108)
7. Civil rights matters	(7)	(8)	(977)	0	0	(437)	0	0	(394)	(7)	(8)	(1,808)
8. INTERPOL – USNCB	(1)	(1)	(80)	0	0	(51)	0	0	(33)	(1)	(1)	(164)
9. Legal Activities Office Automation	0	0	0	0	0	(219)	0	0	0	0	0	(219)
Total	(60)	(71)	(5,960)	0	0	(3,234)	0	0	(2,576)	(60)	(71)	(11,770)

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities
Financial Analysis - Net Program Changes
(Dollars in thousands)

	Solicitor Gen		Tax Division		Criminal Div.		Civil Division		Env & Nat Res Div.		Legal Counsel	
Grades and salary ranges	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos.	Amount	Pos.	Amount
GS/GM - 15					(1)	(67)						
GS/GM - 14			(3)	(204)	(5)	(370)	(2)	(118)	44	2,542		
GS/GM - 13					(7)	(436)	(6)	(300)				
GS 12							1	(84)				
GS 11					(3)	(132)	(3)	(140)				
GS 10												
GS 9			(13)	(407)	(4)	(142)			21	596		(35)
GS 8												
GS 7							1		13	301		
GS 6							(2)	(42)				
GS 5												
GS 4							2					
GS 2												
Total approp positions	0	0	(16)	(611)	(20)	(1,167)	(9)	(684)	78	3,439	0	(35)
Lapses	0	102	1	31	0	0	3	0	(24)	(1,871)	0	58
Other Personnel compensation	2	95	(7)	(387)								
Total workyears and pers compensation	2	197	(22)	(967)	(20)	(1,167)	(6)	(986)	54	1,568	0	23
Personnel benefits		61		(232)		(396)		(206)		484		6
Travel and transportation of persons				(246)		(90)		(94)		366		
Transportation of things						(5)		(6)		38		
GSA rent				(547)				(112)		204		(10)
Communications, utilities, and other rent				(104)		(360)		(19)		69		
Printing and reproduction		(40)		(11)		(6)		(19)		37		(6)
Other services		(44)		(264)		(152)		2,074		1,751		(7)
Supplies and materials				(45)		(15)		(16)		46		(22)
Equipment						(15)		(630)		128		(20)
Grants, subsidies and contributions												
Total obligations	2	174	(22)	(2,416)	(20)	(2,206)	(6)	(14)	54	4,691	0	(36)

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities
Financial Analysis – Net Program Changes
(Dollars in thousands)

Grades and salary ranges	Civil Rights Division Pos	Civil Rights Division Amount	INTERPOL-USNCB Pos	INTERPOL-USNCB Amount	LA Off Automation Pos	LA Off Automation Amount	Total GLA Pos.	Total GLA Amount
GS/GM-15	(1)	(806)	(1)	(80)			(3)	(973)
GS/GM-14	6	347					40	2,197
GS/GM-13	8	391					(5)	(345)
GS-12	25	1,024					26	940
GS-11	5	173					(1)	(99)
GS-10							0	0
GS-9	12	340					16	352
GS-8							0	0
GS-7							14	301
GS-6	5	105					3	63
GS-5	3	56					3	56
GS-4	2	34					4	34
GS-2							0	0
Total, approp positions	65	1,664	(1)	(80)	0	0	97	2,526
Lapses	(29)	(1,215)					(49)	(2,895)
Other Personnel compensation	0	565					(5)	273
Total, workyears and pers compensation	36	1,014	(1)	(80)	0	0	43	(398)
Personnel benefits		341	0	0				58
Travel and transportation of persons		270						206
Transportation of things								27
GSA rent		248						(217)
Communications, utilities, and other rent		119						(295)
Printing and reproduction		62		(10)				7
Other services		6,032		(31)				9,359
Supplies and materials		54		(32)				(30)
Equipment		687		(11)		(219)		(80)
Grants, subsidies and contributions								0
Total obligations	36	8,827	(1)	(164)	0	(219)	43	8,637

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities

Summary of Change

(Dollars in thousands)

	Perm. Pos.	WY.	Amount
1994 Enacted	3,524	3,477	$403,968
1994 Adjustment in Workyear ceiling	0	115	0
Transfer to Criminal Division for BNL investigation	0	0	2,235
Transfer to Civil Rights Division for housing & civil enforcement initiative	0	0	1,031
1994 Appropriation Anticipated	3,524	3,592	407,234
Base adjustments:			
Transfer of Mail Messenger service	0	0	200
Base adjustment to continue housing & civil enforcement initiative	18	18	1,646
Non-recurring decrease for 1994 transfers	0	0	(3,266)
Total, base adjustments	18	18	(1,420)
Mandatory increases:			
1995 Pay Raise	0	0	2,900
Within-grade increases	0	0	3,337
Annualization of 1994 increase	0	0	2,727
Locality pay	0	0	2,599
INTERPOL dues	0	0	250
Accident Compensation	0	0	64
Unemployment Compensation	0	0	73
GSA Rent	0	0	3,498
PACER	0	0	60
FTS 2000	0	0	739
Project EAGLE maintenance	0	0	201
Employee Data and Payroll Services	0	0	34
Distributed Administrative Support	0	0	25
Lease Expiration Costs	0	0	157
General pricing level adjustment	0	0	4,003
Total, mandatory increases	0	0	20,667
Non-policy decreases:			
GSA Rent	0	0	(1,429)
One less compensable day	0	0	(929)
Accident Compensation	0	0	(64)
Adjustment in permanent positions and workyears	(21)	(23)	0
Total, non-policy decreases	(21)	(23)	(2,422)
Net Adjustments to base	(3)	(5)	16,825
1995 Base	3,521	3,587	424,059
Program Changes	97	25	8,637
1994 Estimate	3,618	3,612	432,696

Legal Activities
Salaries and expense, General Legal Activities
Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Base Level Adjustments:			
1. Transfer for Mail Management Services..... This transfer is necessary to fund certain personnel services previously paid out of the Working Capital Fund.	...	...	$200
2. Base adjustment to continue Housing initiative..... This initiative was started in 1994 with resources transferred from the Fees and Expenses of Witnesses appropriation under the Attorney General's authority to transfer up to five percent of current year funding among appropriations. Since the 1994 transfer was a one-time transaction, the requested additional base funding is needed to continue the initiative.	18	18	1,646
3. Non-recurring decrease for 1994 transfers..... This decrease is requested to non-recur the one-time 1994 transfers from the Fees and Expenses of Witnesses appropriation made under the Attorney General's five percent transfer authority.	...	...	(3,266)
Net Base Level Adjustments.....	18	18	(1,420)
Mandatory increases:			
1. 1995 Pay Raise..... This request provides for the proposed 2.0 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested represents pay amounts for three-quarters of the fiscal year plus appropriate benefits.	...	...	2,900

	Perm. Pos.	Work-years	Amount
2. **Within Grade Increases**..... This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization.	...	...	3,337
3. **Annualization of 1994 Increases**..... Final distribution of the 1994 appropriation resulted in an additional $8,000,000 being spread among the GLA components. The requested increase of $2,727,000 is sought to annualize that increase.	...	...	2,727
4. **Locality Pay**..... The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For 1994, locality pay costs for three-quarters of the year will be absorbed. For FY 1995, full year costs must be absorbed.	...	...	2,599
5. **INTERPOL Dues**..... An additional $250,000 is sought to fund an increase in the level of dues paid to INTERPOL by the U.S. National Central Bureau.	...	...	250
6. **Accident Compensation**..... This increase reflects the billing provided by the Department of Labor for the actual costs in 1993 of employees' accident compensation.	...	...	64

		Perm. Pos.	Work-years	Amount
7.	Unemployment Compensation..... This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation.	...	...	73
8.	GSA Rent..... GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $3,498,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of the automated system, which uses the latest inventory data and GSA-provided rates.	...	...	3,498
9.	Public Access to Court Electronic Records (PACER)..... The Judicial Conference of the United States has repealed the exemption for Federal agencies from the fee imposed for public access to court electronic records. The requested increase of $60,000 is required to pay anticipated additional costs associated with continued access to court records.	...	...	60
10.	FTS 2000..... During the development of the 1994 budget, the Office of Management and Budget decreased the funding for FTS 2000 based on the General Service Administration (GSA) projected rate decreases that were to amount to anywhere between 10 and 35 percent. GSA current projections, based on our fiscal year 1993 actual charges show that these rate decreases did not occur. Therefore, an increase of $739,000 is required to meet the Department's commitment to GSA.	...	...	739
11.	EAGLE Maintenance..... Initial installation of workstations and other equipment in 1993 was done on a 36-month lease-to-ownership-plan. The requested increase of $201,00 is needed to pay for maintenance of installed equipment, annualized contract administration and overhead costs as required by the EAGLE contract.	...	...	201

	Perm. Pos.	Work-years	Amount
12. <u>Employee Data Services</u>..... Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. A 10 percent increase is needed to keep pace with inflation, the increased use of the National Finance Center (NFC), and the continuing level of systems support by the Finance Staff. This request supports the completion of component conversion to the Personnel/Payroll System operated by NFC, as well as the continuing receipt of system services from NFC.	...	...	34
13. <u>Distributed Administrative Support</u>..... Under the Foreign Affairs Administrative Support agreement, an annual charge is made by the DOS for administrative support items. The amount of this charge is determined by the DOS. DOS advises that a 10 percent increase in foreign operations costs is anticipated.	...	...	25
14. <u>Lease Expiration Costs</u>..... The Department has a large number of leases known to be expiring in 1995. In many cases the existing leases may be renewed but, at this time, it is impossible to determine how many and which ones will be renewable. This increase includes costs for renovations necessary to occupy new space (costs for communications, wiring for automated systems, additional electrical outlets, etc.) and excludes any increase in rent costs. GSA estimates that, historically, 50 percent of all expiring leases are renewed. Therefore, the requested increase of $157,000 includes 50 percent of the estimated relocation costs for known lease expirations.	...	...	157

	Perm. Pos.	Work-years	Amount
15. General Pricing Level Adjustment..... This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	...	4,003
Total mandatory increases.....	...	...	20,667
Decreases:			
1. GSA Rent..... GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested decrease of $1,429,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of the automated system, which uses the latest inventory data and GSA-provided rates.	...	...	(1,429)
2. One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. Fiscal year 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates.	...	...	(929)
3. Accident Compensation..... This decrease reflects the billing provided by the Department of Labor for the actual costs in 1993 of employees' accident compensation.	...	...	(64)

	Perm. Pos.	Work-years	Amount
4. Adjustment in Permanent Positions and workyears..... This decrease is requested to bring authorized position and workyear ceiling in line with available funding.	(21)	(23)	...
Total decreases.....	(21)	(23)	(2,422)
Net adjustments to base.....	(3)	(5)	16,825

Legal Activities
Salaries and Expenses, General Legal Activities
Summary of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Authorized		1995 Authorized	
		Permanent Position Reduction	Total	Net Change	Total
Attorneys (905)	1,965	(57)	1,908	36	1,944
Paralegal Specialists (950)	299	(6)	293	24	317
Other Legal and Kindred (900 – 998)	78	(3)	75	(1)	74
Social Sciences, Economics (100 – 199)	33	(4)	29	3	32
General Administrative, Clerical (300 – 399)	1,233	(77)	1,156	24	1,180
Accounting and Budget (500 – 599)	27	0	27	0	27
Business and Industry (1100 – 1199)	2	0	2	0	2
Information and Arts (1000 – 1099)	4	0	4	0	4
Mathematics and Statistics	2	0	2	0	2
General Investigating (1801 – 1810)	4	0	4	8	12
Other	27	(3)	24	0	24
Total	3,674	(150)	3,524	94	3,618
Washington, D.C.	3,541	(152)	3,389	94	3,483
U.S. Field	130	2	132	0	132
Foreign Field	3	0	3	0	3
Total	3,674	(150)	3,524	94	3,618

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

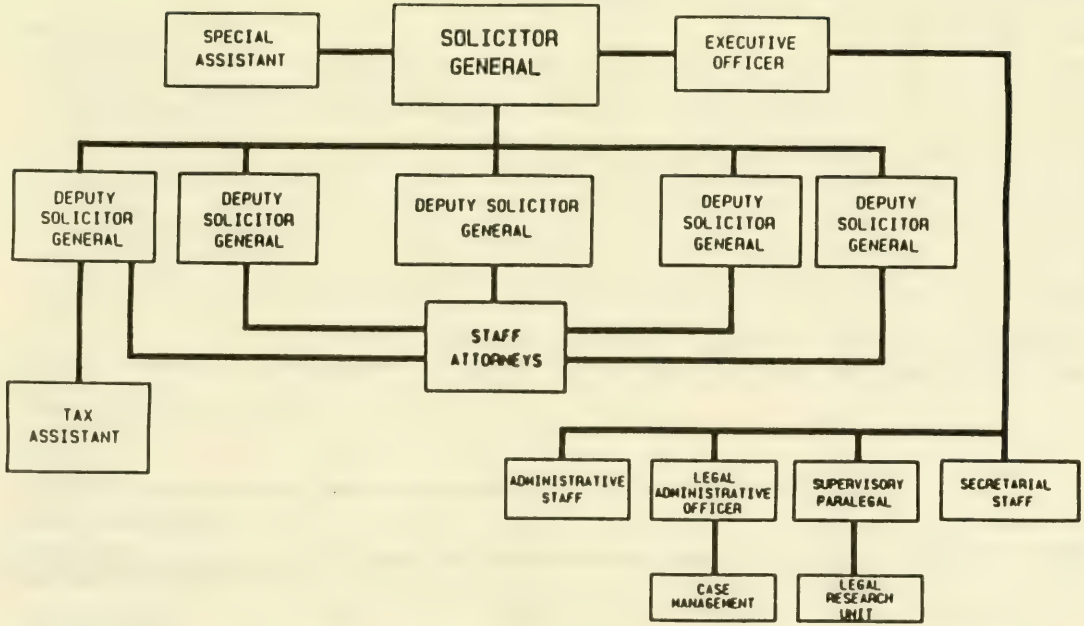
Grades and salary ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Estimate Positions & Workyears	1994 Estimate Amount	1995 Request Positions & Workyears	1995 Request Amount	Incr/Decr Positions & Workyears	Incr/Decr Amount
Executive Level III	2		2		2		0	
Executive Level IV	7		7		7		0	
ES-6	1		1		2		1	
ES-5	10		9		9		0	
ES-4	76		71		71		0	
ES-3	13		13		13		0	
ES-2	13		9		10		1	
ES-1	20		24		23		(1)	
GS-15	1,073		1,063		1,055		(8)	
GS-14	448		424		466		42	
GS-13	332		325		327		2	
GS-12	256		231		258		27	
GS-11	258		250		250		0	
GS-10	20		22		24		2	
GS-9	229		216		211		(5)	
GS-8	175		173		173		0	
GS-7	418		392		413		21	
GS-6	122		117		121		4	
GS-5	104		91		95		4	
GS-4	58		52		56		4	
GS-3	26		22		22		0	
GS-2	13		10		10		0	
Locality pay	0	0	0	6,149	0	8,545	0	2,396
1995 Pay Increase	0	0	0	0	0	2,501	0	2,501
Total, appropriated positions	3,674	192,530	3,524	195,884	3,618	207,705	94	11,821
Pay above stated annual rate	0	731	0	742	0	527	0	(215)
Lapses	(344)	(17,839)	(162)	(9,011)	(242)	(11,409)	(80)	(2,398)
Net savings	0	(1,529)	0	(1,934)	0	(749)	0	1,185
Net full-time permanent	3,330	173,893	3,362	185,681	3,376	196,074	14	10,393
Other than permanent:								
Part-time permanent	33	1,806	30	1,821	30	1,850	0	29
Temporary employment	78	3,223	115	3,180	116	3,292	1	112
Other part-time and intermittent employment	61	2,992	85	2,768	84	2,794	(1)	26
Other personnel compensation:								
Overtime	19	797	25	872	26	939	1	67
Other compensation	0	1,389	0	1,410	0	1,321	0	(89)
Special personal services payments	0	3,721	0	3,270	0	3,118	0	(152)
Total, workyears and personnel compensation	3,521	187,821	3,617	199,002	3,632	209,388	15	10,386

Legal Activities

Salaries and Expenses, General Legal Activities
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Estimate Workyears	1994 Estimate Amount	1995 Request Workyears	1995 Request Amount	Incr/Decr Workyears	Incr/Decr Amount
Personnel expenses:								
11.1 Permanent positions	3,330	173,693	3,362	185,651	3,376	196,074	14	10,393
11.3 Positions other than permanent	172	8,021	230	7,769	230	7,936	0	167
11.5 Other personnel compensation	19	2,186	25	2,282	26	2,260	1	(22)
11.8 Special personnel services payments	0	3,721	0	3,270	0	3,118	0	(152)
Sub-total, personnel expenses	3,521	187,621	3,617	199,032	3,632	209,398	15	10,366
Reimbursable workyears:								
Full-time permanent	[270]		[266]		[290]		[24]	
Other than permanent	...		...		...		...	
Non-personnel expenses:								
12 Personnel benefits		39,494		44,101		45,579		1,478
13 Benefits for former personnel		182		316		374		58
21 Travel and transportation of persons		14,002		16,816		16,386		(430)
22 Transportation of things		1,440		1,532		1,540		8
23.1 Standard level user charges		39,431		44,998		45,627		629
23.2 Rental payments to others		197		290		262		(28)
23.3 Communications, utilities and other rent		9,663		9,931		10,596		665
24 Printing and reproduction		2,870		4,148		4,077		(71)
25 Other Services		82,865		80,132		92,367		12,235
26 Supplies and materials		4,037		3,466		3,539		71
31 Equipment		4,946		2,474		2,712		238
41 Grants, subsidies and contributions		2		6		9		3
42 Insurance, claims and indemnities		0		0		0		0
Total direct obligations		396,920		407,234		432,696		25,462
Reimbursable obligations		61,767		80,000		80,000		
Total obligations		458,687		487,234		512,696		30,462
Unobligated balance, start-of-year		(3,723)		(10,794)		(14,060)		
Unobligated balance, end-of-year		10,794		14,060		14,060		
Unobligated balance expiring		2,572		...		...		
Total requirements		478,330		490,500		512,696		
Relation of obligations to outlays:								
Total obligations		458,687		487,234		512,696		
Obligated balance, start-of-year		68,091		44,836		51,331		
Obligated balance, end-of-year		(44,836)		(51,331)		(57,326)		
Adjustments in expired accounts		(9,620)		...		...		
Outlays		462,320		480,741		506,701		

OFFICE OF THE SOLICITOR GENERAL



Approved: Janet Reno Date: 1/23/94
JANET RENO
Attorney General

Office of the Solicitor General
Salaries and Expenses
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriations Actions on 1994 Request			Adjustment in Workyear Ceiling		Reprogrammings			1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Pos.	WY	Amount	Pos.	WY	Amount
Conduct of Supreme Court proceedings and review of appellate matters.....	48	51	$5,518	0	0	$120	0	1	0	0	$0	48	52	$5,638

Congressional Appropriation Actions

The final distribution of appropriated funding, as approved by the Attorney General, provided additional resources to the Solicitor General to pay for locality based pay costs.

Adjustment in Workyear Ceiling

This adjustment is made to accommodate the inclusion of certain classes of employees in workyear ceiling limitations.

Office of the Solicitor General

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1994 as enacted	48	51	5,638
Adjustments in ceiling	...	1	...
1994 appropriation anticipated	48	52	5,638
Transfer from General Administration for Mail Management	...	...	39
Mandatory increases:			
Annualization of 1994 increases	...	...	37
1995 pay raise	...	...	45
Within-grade increases	...	...	25
1994 Locality pay (3 mos.)	...	...	40
FTS 2000	...	...	6
GSA rent	...	...	143
Project EAGLE maintenance	...	...	3
General pricing level adjustments	...	...	44
Total mandatory increases	...	...	343
Decreases:			
One less compensable day	...	...	-13
1995 base	48	52	6,007

Estimates by budget activity	1993 Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Conduct of Supreme Court proceedings and review of appellate matters	49	52	$5,476	49	52	$5,460	48	52	$5,638	48	52	$6,007	48	54	$6,181	0	2	$174
Other Workyears																		
Overtime		2			2			2			2			2			...	
Total compensable workyears		54			54			54			54			56			2	

Office of the Solicitor General

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in Thousands)

Activity: Conduct of Supreme Court proceedings and review of appellate matters

Increase/Decrease	1994 Appropriation Anticipated			1995 Base			1995 Estimate					
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	48	52	$5,638	48	52	$6,007	48	54	$6,181	0	2	$174

LONG RANGE GOAL: To be as effective as possible in the conduct of all aspects of Government litigation in the appellate courts and the U.S. Supreme Court.

MAJOR OBJECTIVES:

To adequately represent the interests of the U.S. Government in cases before the Supreme Court.

To review appellate cases to determine their suitability for appeal to the U.S. Supreme Court or to a lower Federal appellate court.

To meet all filing dates of cases before the U.S. Supreme Court.

BASE PROGRAM DESCRIPTION: The major function of the Solicitor General's Office is to conduct Government litigation in the Supreme Court of the United States.

The Office of the Solicitor General is the Government's foremost legal office. The original Statutory Authorization Act of June 22, 1870, states: "There shall be in the Department of Justice an officer learned in the law, to assist the Attorney General in the performance of his duties to be called the Solicitor General." As stated in 28 CFR 0.20, the general functions of the Office are as follows: (1) conducting or assigning and supervising all Supreme Court cases, including appeals, petitions for and in opposition to certiorari, briefs and arguments; (2) determining whether, and to what extent, appeals will be taken by the Government to all appellate courts (including petitions for rehearing en banc and petitions to such courts for the issuance of extraordinary writs); (3) determining whether a brief amicus curiae will be filed by the Government, or whether the Government will intervene, in any appellate court; (4) assisting the Attorney General and the Deputy Attorney General in the development of broad Department program policy.

ACCOMPLISHMENTS AND WORKLOAD: Recent accomplishments and workload of the Office of the Solicitor General are presented as follows:

Supreme Court Matters:

	1992	1993	Estimates 1994	Estimates 1995
Pending, beginning of term	462	466	520	631
Received	2,165	2,341	2,524	2,650
Terminated	2,161	2,287	2,413	2,534
Pending, end of term	466	520	631	747

Other Activities:

	1992	1993	Estimates 1994	Estimates 1995
Appellate determination	1,545	1,548	1,453	1,526
Certiorari determinations1/	750	752	706	741
Miscellaneous recommendations2/	383	422	403	423
Oral Arguments	76	76	76	84

1/ Includes certiorari authorizations, no certiorari decisions, direct appeal authorizations and no direct appeal decisions.

2/ Miscellaneous decisions include the following: amicus participation, mandamus, rehearing, settlement, bails, stays, etc. This figure does not include oral arguments in the Supreme Court, conferences, correspondence, etc.

Explanation: Cases decided during the 1993 Term of the Supreme Court in which the Solicitor General filed a brief include those in which the Court held that: (1) under the Individuals with Disabilities Education Act, a court may order a school district that has failed to furnish a disabled child with a free appropriate public education to reimburse parents (who unilaterally withdrew their child from public school) for the cost of private school education that meets the disabled child's educational needs but does not satisfy the procedural requirements for a free appropriate public education (Florence County School District Four v. Carter); (2) a plaintiff may obtain relief under Title VII of the Civil Rights Act of 1964 from hostile environment sexual harassment by showing that a reasonable person would perceive, and that the victim does perceive, the environment as hostile, without further proving that the harassment would have adverse psychological effects (Harris v. Forklift Systems, Inc.); (3) the Racketeer Influenced and Corrupt Organizations (RICO) Act does not require that a defendant be motivated by an economic purpose in order to be held liable (National Organization for Women, Inc. v. Scheidler); (4) an insurance company is a fiduciary for purposes of the Employee Retirement Income Security Act of 1974 (ERISA) with respect to assets held in its general account that provide for the payment of fixed annuities but do not provide the plan a fixed rate of return or guaranteed amount of retirement benefits (John Hancock Mutual Life Ins. Co. v. Harris Trust & Savings Bank); (5) the Constitution permits Congress to authorize the Judge Advocate General of each military service to assign commissioned officers to serve as military judges, and the Due Process Clause does not require that such judges have a fixed term of office (Weiss v. United States); (6) the Due Process Clause requires that the owner of real property be given notice and an opportunity for a hearing before the property is seized for civil forfeiture under the drug laws (United States v. James Daniel Good Real Property).

Cases to be decided during the 1993 Term of the Supreme Court include those in which the Solicitor General has filed a brief arguing that: (1) the practice of electing a sole county commissioner, rather than a multi-member commission, is subject to challenge as dilutive under Section 2 of the Voting Rights Act (Holder v. Hall); (2) the redistricting plans for the Florida Senate and House of Representatives violate the rights of Hispanics under Section 2 of the Voting Rights Act (Johnson v. DeGrandy, DeGrandy v. Johnson, and United States v. Florida); (3) the Federal Savings and Loan Insurance Corporation (FSLIC) may not be held liable for damages arising out of an alleged due process violation pursuant to a right of action implied under Bivens v. Six Unknown Named Agents, and FSLIC, acting as a receiver for a failed savings and loan institution, did not violate the Due Process Clause by terminating an officer of the institution without a prior hearing (FDIC v. Meyer); (4) Sections 101 and 102 of the Civil Rights Act of 1991 (which, respectively, expand the employment-related claims that may be brought under 42 U.S.C. 1981, and provide for compensatory and punitive damages and the right to a jury trial in employment discrimination suits under Title VII of the Civil Rights Act of 1964) apply to claims that were pending on the date of enactment of the 1991 Act (Landgraf v. USI Film Products and Rivers v. Roadway Express, Inc.); (5) gender-based preemptory challenges to jurors violate the Equal Protection Clause of the Fourteenth Amendment (J.E.B. v. T.B.); (6) a state court may establish a scheduled set of civil contempt fines to be imposed for future violations of a "prohibitory" injunction entered in a labor dispute, and the Constitution does not require that fines already levied be vacated upon settlement of the labor dispute and injunctive action (International Union, United Mine Workers v. Bagwell); (7) aiders and abettors may be included as defendants in a private damages action under Section 10(b) of the Securities Exchange Act of 1934 and the SEC's Rule 10b-5, and liability in such a suit may be based on recklessness (Central Bank of Denver v. First Interstate Bank of Denver); (8) the provisions of the Cable Television and Consumer Protection and Competition Act of 1992 that require cable system operators to devote a portion of their channel capacity to the carriage of commercial and educational broadcasting do not violate the First Amendment (Turner Broadcasting System, Inc. v. Federal Communications Commission); (9) California's application of its worldwide combined reporting method of income taxation to a foreign-controlled multinational corporation during the tax year 1977 did not impair the federal government's conduct of international commercial policy and therefore did not violate the Foreign Commerce Clause of the Constitution (Barclay's Bank, PLC v. Franchise Tax Board of California); (10) courts may not review the President's determination of which military bases will be closed under the Defense Base Closure and Realignment Act of 1990 (Dalton, Secretary of the Navy v. Specter); (11) the instream flow conditions imposed by the State of Washington on construction of a dam to be licensed by the Federal Energy Regulatory Commission (FERC) are consistent with the Clean Water Act, and any questions concerning a possible conflict between those conditions and FERC's licensing responsibilities under the

Federal Power Act are not ripe for review and should be considered by FERC in the first instance (PUD No. 1 of Jefferson County v. State of Washington, Department of Ecology); and (12) the Armed Career Criminal Act does not permit, and the Constitution does not require, that a defendant, at sentencing, be allowed to challenge the validity of prior state court convictions used to enhance his sentence (Custis v. United States).

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	48	52	$6,007	48	54	$6,181	...	2	$174

As the Office of the Solicitor General implements the personnel increases and decreases reflected in this budget for FY 1994 and 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

A program decrease of 1 position and $89,000 is required to meet workyear levels established by the Administration. The reduction would have to be achieved through the reduction of 1 additional attorney position. The total yearly uncompensated overtime for attorneys is approximately 24,000 hours. Therefore, this is not a viable option. The result will be a reduction of discretionary workload of the office such as pursuing adverse decisions from the lower courts and amicus filings. This office has maintained the same number of positions for the past 12 years (49 positions) by reallocating the office's personnel resources. We request in this proposal that we be allowed to remain at the 48 position level. This office has been cut 1 position in FY 1994. Even with the same level of funding, the office will be pressed in future years. The increased number of judicial decisions that will result when the President fills the large number of current judicial vacancies will, in turn, have a substantial impact on the office's work. As a result, any further reduction in the number of FY 1994 (48 FTP) positions and associated workyears would be detrimental to the overall effectiveness of the operation of this office. Therefore, a program increase in the amount of $89,000 is requested for restoration of the 1995 full-time equivalent cut of 1 workyear and 1 position and is required to address the increased workload.

A program decrease of $44,000 is required to reduce administrative expenses to assist in controlling the Federal deficit, and improving the Federal Government's administrative productivity. The office has already taken significant administrative reductions.

The Office of the Solicitor General will have to absorb $40,000 in FY 1995 for 1994 locality pay. OSG has projected significant savings in FY 1994 through the use of desktop publishing and FBI for the printing and binding of Supreme Court briefs in lieu of going through a GPO printer for typesetting, printing and binding. OSG will be able to increase the projected savings in FY 1995 by $40,000.

A program increase in the amount of $150,000 is requested for unfunded positions and workyears. $115,000 covers the cost of unfunded full-time equivalent workyears and $35,000 covers personnel-related costs associated with these unfunded workyears. This office is continuously having to offset Congressionally-approved pay increases and mandatory increases denied by the Office of Management and Budget with personnel lapse money. The office can no longer continue to operate below full staffing level. The savings available from that source have now been effectively exhausted; this office can no longer continue to perform its mission without the requested resources. The office's budget consists mostly of (1) personnel and personnel-related costs, (2) printing costs for Supreme Court briefs which must be printed and bound according to U.S. Supreme Court and Government Printing Office regulations, and (3) mandatories. To continue covering operating costs by utilizing lapse funds is no longer a viable option. These resources are required to allow the Office to address the increasing workload.

A program increase of 2 workyears and funding in the amount of $108,000 is requested for 2 law clerks. Of this, $82,000 pertains to salaries and $26,000 pertains to benefits. The law clerks ease the burden placed on the attorneys by providing legal research and preparing appeal memoranda. This office has taken a number of steps to conserve resources, which have enabled the office to maintain the same position level for the past 12 years. In an effort to economize and to accommodate our increasing caseload, we have, for example, started a practice of hiring attorneys right out of judicial clerkships for 1-year clerkships in this office to handle a portion of our recommendations and briefs. While the salaries of these lawyers are considerably lower than those of our regular attorneys, there is substantial utilization of personnel resources within the office associated with the need to provide close guidance in their work. This is not the preferable way to handle the important work of this office. It is, however, one of many steps we have taken during the past several years to reduce expenditures. In taking these and other similar steps, we have exhausted the possibilities of achieving further cost savings without impairing the performance of the office's mission. The average attorney in the office works 40 hours of uncompensated overtime in an average pay period. The total yearly uncompensated overtime for the attorneys is approximately 24,000 hours. The 1995 base does not provide funding for the hiring of any law clerks.

Office of the Solicitor General
Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

	Federal Appellate Activity												Total	
	OMB FTE Reductions		OMB Administrative Reductions		1994 Locality Pay Absorption		Restoration of 1995 FTE Cut		Unfunded Positions and Workyears		Workyears and Funding for 2 Law Clerks			
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades														
GS-15	(1)	(73)	...	...	...	...	1	73	...	...	...	...	0	0
Other workyear reductions	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	(1)	(73)	...	...	...	...	1	73	...	...	...	...	0	0
Reduction in lapse			...	...	...	...	...	...	...	102	...	...		102
Other than permanent			...	...	...	...	...	...	...	13	2	82	2	95
Total workyears and personnel compensation	(1)	(73)	...	0	...	...	1	73	...	115	2	82	2	197
Personnel benefits		(16)		0		0		16		35		26		61
Travel and transportation		0		0		0		0		0		0		0
GSA rent		0		0		0		0		0		0		0
Other rent		0		0		0		0		0		0		0
Printing		0		0		(40)		0		0		0		(40)
Other services		0		(44)		0		0		0		0		(44)
Supplies and materials		0		0		0		0		0		0		0
Equipment		0		0		0		0		0		0		0
Total program workyears and obligations changes requested, 1995	(1)	(89)	...	(44)	...	(40)	1	89	...	150	2	108	2	174

Office of the Solicitor General

Salaries and expenses

Detail of Permanent Positions by Category

Fiscal Years 1993 - 1995

Category	1993 Authorized	1994 Authorized	1995 Request
Attorneys. (905)	23	22	22
Paralegal Specialists (950)	6	6	6
Other Legal and Kindred (900-998)	4	4	5
Accounting and Budget (500-599)	1	1	1
Gen. Admin., Clerical and Office Svc. (300-399)	15	15	14
Total	49	48	48
Washington	49	48	48

Office of the Solicitor General
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

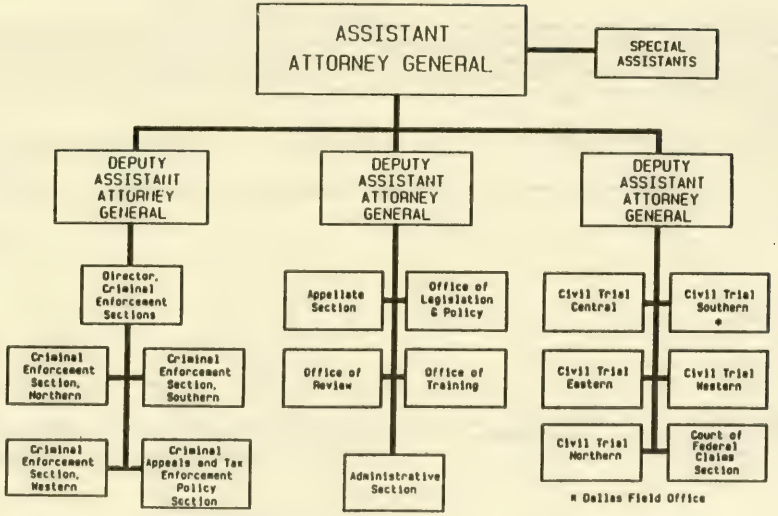
Grades and salary ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Estimate Positions & Workyears	1994 Estimate Amount	1995 Estimate Positions & Workyears	1995 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level III - $123,100	1		1		1		...	
ES-6 $120,594 -	1		1		1		...	
ES-5 $116,529 -	1		1		1		...	
ES-4 $111,839 -	4		4		4		...	
GS/GM-15 $69,427 - $90,252	17		16		16		...	
GS-14 $59,022 - $76,733	1		2		2		...	
GS-13 $49,947 - $64,928	1		2		3		1	
GS-12 $42,003 - $54,601	5		5		4		(1)	
GS-11 $35,045 - $45,561	3		1		2		1	
GS-10 $31,898 - $41,466	1		2		2		...	
GS-9 $28,964 - $37,651	5		7		6		(1)	
GS-8 $26,223 - $34,094	3		2		2		...	
GS-7 $23,678 - $30,779	1		0		0		...	
GS-6 $21,308 - $27,696	1		2		2		...	
GS-5 $19,116 - $24,847	3		2		2		...	
GS-4 $17,086 - $22,208	1		0		0		...	
Locality pay	...		...	160	...	160		
1995 pay raise	...	...	...	...	...	41	...	41
Total, appropriated positions	49	2,904	48	3,079	48	3,145	...	66
Pay above stated annual rates	...	11	...	12	...	...	...	(12)
Lapses	(5)	(315)	(2)	(156)	(2)	(54)	...	102
Net Savings	...	...	...	(40)	...	(10)	...	30
Net full-time permanent	44	2,600	46	2,895	46	3,081	...	186
Other than permanent								
Part-time employment	1	62	1	62	1	62	...	...
Temporary employment	7	258	5	211	7	314	2	103
Other part-time and intermittent employment	...	2	...	1	...	1	...	...
Other personnel compensation:								
Overtime	2	72	2	60	2	60	...	...
Administratively uncontrollable overtime	...	...	...	...	...	...	...	...
Other compensation	...	42	...	...	...	...	...	...
Special personal services payments	...	0	...	1	...	1	...	...
Total, workyears and personnel compensation	54	3,036	54	3,230	56	3,519	2	289
Average ES Salary		($106,083)		($109,980)		($115,448)		
Average GS/GM Salary		($50,143)		($55,040)		($57,358)		
Average GS/GM Grade		(11.81)		(11.85)		(11.93)		

Office of the Solicitor General
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Estimate Workyears	1994 Estimate Amount	1995 Estimate Workyears	1995 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation								
11.1 Full-time permanent	44	$2,600	46	$2,895	46	$3,081	...	186
11.3 Other than permanent	8	322	6	274	8	377	2	103
11.5 Other personnel compensation	2	114	2	60	2	60	...	0
11.8 Special personal services payments	...	0	...	1	...	1	...	0
Total, workyears and personnel compensation	54	$3,036	54	$3,230	56	$3,519	2	289
12 Personnel benefits		591		697		800	...	103
13 Benefits to former personnel		1		4		4	...	0
21 Travel and transportation of persons		3		5		5	...	0
22 Transportation of things		17		12		12	...	0
23.1 Standard Level User Charges		586		567		710	...	143
23.3 Communications, utilities and miscellaneous charges		115		118		136	...	18
24 Printing and reproduction		560		494		469	...	(25)
25 Other services		359		443		447	...	4
26 Supplies and materials		38		43		44	...	1
31 Equipment		154		25		35	...	10
Total obligations	54	5,460	54	5,638	56	6,181	2	543

Relation of obligations to outlays:
Obligated balance, start-of-year
Obligated balance, end-of-year
Outlays

TAX DIVISION



Approved: Janet Reno Date: 1/23/94
JANET RENO
Attorney General

Tax Division
Salaries and Expenses, General Legal Activities
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity: General tax matters	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request 1/			Adjustment in Workyear Ceiling		Reprogrammings			1994 Appropriation Enacted		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Pos.	WY	Amount	Pos.	WY	Amount
Federal appellate activity.....	92	84	$7,321	92	84	$7,321	...	...	...	...	...	92	84	$7,321
Criminal tax prosecution.....	139	130	12,373	139	130	12,373	...	1	...	...	...	139	131	12,373
Civil tax litigation.....	352	334	32,503	352	334	32,503	...	1	...	...	...	352	335	32,503
Management and administration...	106	106	7,266	106	106	7,266	...	4	...	...	...	106	110	7,266
Total.....	689	654	$59,463	689	654	$59,463	...	6	...	...	...	689	660	$59,463

Congressional Appropriation Actions: The final distribution of appropriated funding, as approved by the Attorney General, provided the requested level of resources.

Adjustment in Workyear Ceiling: These adjustments are made to accommodate the inclusion of certain classes of employees in workyear ceiling limitations.

1/Tax Division will absorb $428,000 in annualized locality pay in 1995. However, the full absorption amount in 1995 is $1,712,000 because the $1,284,000 cost of locality pay for three-fourths of 1994 is not included in the 1995 base. The Division has absorbed $610,000 of these costs by eliminating 13 support positions in 1994, displayed as an "unfunded workyear reduction" in the Summary of Requirements exhibit. Additional savings of $564,000 will be achieved by consolidating personnel now in two buildings into a single location with lower rental rates. The remaining savings have been achieved by reducing costs for copier service and automated legal research.

Tax Division
Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm Pos.	Work-years	Amount
1994 as enacted	689	654	$59,463
1994 adjustment in work-year ceiling	...	6	...
1994 appropriation anticipated	689	660	$59,463
Unfunded workyear reduction	(13)	(13)	...
Transfer from General Administration for mail management	...	...	63
Mandatory increases:			
1995 pay raise	...	...	490
1995 locality pay	...	...	428
Within-grade increases	...	...	791
Annualization of 1994 increases	...	...	397
Accident compensation	...	...	2
Unemployment compensation	...	...	10
GSA rent	...	...	331
Pacer	...	...	20
FTS 2000	...	...	50
Project EAGLE maintenance	...	...	25
Employee data and payroll service	...	...	6
General pricing level adjustment	...	...	395
Total, mandatory increases	...	...	2,945
Decreases:			
One less compensable day	...	...	(172)
Total, decreases	...	...	(172)
1995 base	676	647	62,299

Estimates by Budget Activity	1993 Actual			1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. General Tax Matters	699	681	$56,490	689	660	$59,463	676	647	$62,299	660	625	$59,883	(16)	(22)	($2,416)

Tax Division
Salaries and Expenses
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1993 as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General Tax Matters:																		
Federal appellate activity	97	92	$7,388	94	87	$7,005	92	84	$7,321	88	80	$7,692	87	77	$7,321	(1)	(3)	($371)
Criminal tax prosecution	150	145	11,646	142	134	11,710	139	131	12,373	132	124	13,172	127	117	12,360	(5)	(7)	(812)
Civil tax litigation	358	348	31,320	356	346	30,832	352	335	32,503	350	333	33,182	347	329	32,506	(3)	(4)	(676)
Management and administration	94	102	6,769	107	114	6,943	106	110	7,266	106	110	8,253	99	102	7,696	(7)	(8)	(557)
Total	699	687	57,123	699	681	56,490	689	660	59,463	676	647	62,299	660	625	59,883	(16)	(22)	(2,416)
Reimbursable workyears		12			12			12			12			12				
Total Workyears		699			693			672			659			637				
Other workyears:																		
Holiday																		
Overtime		5			5			5			5			5				
Total compensable workyears		704			698			677			664			642				

Tax Division
Salaries and expenses, General Legal Activities
Justification of Multi-Activity Program Changes
(Dollars in thousands)

Budget Activity/Program	1995 FTE Reductions			1995 Administrative Savings			1995 Locality Pay		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Federal appellate activity	(1)	(1)	($46)	...	...	($64)	...	...	($57)
Criminal tax prosecution	(4)	(4)	(379)	...	...	(80)	...	...	(72)
Civil tax litigation	(2)	(2)	(92)	...	...	(259)	...	...	(233)
Management and administration	(4)	(3)	(140)	...	...	(73)	...	...	(66)
Total	(11)	(10)	($657)	...	...	($476)	...	...	($428)

Explanation: Program decreases of 11 positions, 10 workyears and $657,000 are required to meet workyear levels established by the Administration. Additional decreases in administrative expenses totaling $476,000 are required to assist in controlling the Federal deficit. Tax Division will absorb $428,000 in annualized locality pay in 1995. However, the full absorption amount in 1995 totals $1,712,000 because the $1,284,000 cost of locality pay for three-fourths of 1994 is not included in the 1995 base. The Division has absorbed $610,000 of these costs by eliminating 13 support positions in 1994, displayed as an "unfunded workyear reduction" in the Summary of Requirements exhibit. Additional savings of $564,000 will be achieved by consolidating personnel now housed in two buildings into a single location with lower rental rates. The remaining savings have been achieved by reducing costs for copiers and automated legal research.

Tax Division
Salaries and Expenses, General Legal Activities: 15-0128-0-1-752
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: General Tax Matters	1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	92	84	$7,321	88	80	$7,692	87	77	$7,321	(1)	(3)	($ 371)
Criminal tax prosecution	139	131	12,373	132	124	13,172	127	117	12,360	(5)	(7)	(812)
Civil tax litigation	352	335	32,503	350	333	33,182	347	329	32,506	(3)	(4)	(676)
Management and administration	106	110	7,266	106	110	8,253	99	102	7,696	(7)	(8)	(557)
Total	689	660	59,463	676	647	62,299	660	625	59,883	(16)	(22)	(2,416)

This budget activity includes personnel and funding resources necessary to maintain an effective and viable Tax Division. The tax enforcement litigation conducted by Division attorneys ensures that the nation's internal revenue laws will be fairly and uniformly applied and that general public compliance with the country's tax laws will be maintained. In conducting its primary mission of tax law enforcement, the Tax Division serves as a key revenue generating agency for the Federal Government. As a result, the Division contributes significantly to Administration and Congressional efforts to reduce the Federal budget deficit.

	1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
FEDERAL APPELLATE ACTIVITY	92	84	$7,321	88	80	$7,692	87	77	$7,321	(1)	(3)	($ 371)

LONG RANGE GOAL: To promote fair and uniform enforcement of the tax laws in appeals taken to the Federal and State appellate courts.

MAJOR OBJECTIVES:

To maintain the high caliber of the Government's written and oral advocacy in Tax Division cases on appeal and pending before the Supreme Court.

To recommend and successfully prosecute appeals of wrongly-decided Tax Court, Court of Federal Claims, District Court, and State court cases.

To persuade the appellate courts to adopt fair and consistent interpretations of complex new tax statutes, including issues now beginning to arise under the Tax Reform Act of 1986, the 1988 Taxpayer Bill of Rights, the Revenue Reconciliation Act of 1990, and the Omnibus Budget Reconciliation Act of 1993.

To furnish legal advice and other litigation support to the Internal Revenue Service, the U.S. Attorneys' Offices, other sections of the Tax Division, and other Federal agencies.

BASE PROGRAM DESCRIPTION: Federal Appellate attorneys litigate all Federal civil tax cases appealed to the United States courts of appeals and State appellate courts. They also prepare drafts of tax pleadings and briefs filed by the Solicitor General in the Supreme Court and make recommendations to the Solicitor General regarding the advisability of filing: (i) appeals in tax cases lost by the Government in the District Courts, the Court of Federal Claims, the Tax Court, and State courts; and (ii) petitions for certiorari in tax cases lost by the Government in the appellate courts. In addition, the Division's Federal Appellate attorneys handle appeals in Freedom of Information Act and Privacy Act cases, civil tort suits which involve IRS officials, and cases involving inter-governmental immunity. They prepare briefs for the United States as amicus curiae in private lawsuits presenting issues affecting the interests of the IRS or in cases where the courts invite the Government to state its views on tax-related questions.

ACCOMPLISHMENTS AND WORKLOAD: The accomplishments of the Federal Appellate Activity program are summarized in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
1. Appellate Caseload:				
a. Pending, Start of Year	928	993	1,051	1,126
b. Received	1,080	938	980	980
c. Closed	1,015	880	905	890
d. Percent Government Wins	85%	90%	85%	85%
2. Work Products:				
a. Main Briefs	689	614	631	620
b. Other Briefs	87	85	87	84
c. Oral Arguments	251	267	274	265
d. Memoranda	510	485	498	480

These data are derived from the Tax Division's monthly automated report of case receipts, closings, and related statistics. 1992 and 1993 statistics reflect annual end-of-year caseloads. 1994 statistics are projections based upon data received from the IRS' automated case tracking system, as well as internal statistics concerning the Division's civil trial docket. 1995 changes reflect the impact of losing 1 attorney workyear due to deficit reduction decreases.

While caseload statistics provide some measure of the productivity of our Appellate attorneys, case examples provide a better understanding of the nature and revenue effect of the litigation conducted by the Appellate Section. The following examples illustrate the critical role played by Federal Appellate attorneys in protecting the public fisc.

The cases handled by the Division's Appellate Section are marked by their extraordinary complexity and administrative importance. For example, in ***Hill v. United States***, the Supreme Court granted certiorari and, in a unanimous opinion, ruled in favor of the Government. The Court held that any **percentage depletion** claimed in excess of a taxpayer's "adjusted basis" in mineral properties constitutes a tax preference for **minimum tax** purposes. The Court rejected the taxpayer's claim that tax preference items include only such deduction claims that exceed "adjusted basis" both in the mineral properties and in the depreciable improvements made to that property. The IRS has estimated that approximately **$5 billion** in revenue will be collected as the result of this victory.

In yet another major victory, the Supreme Court reversed, 8-1, the Fourth Circuit's adverse decision in ***Soliman v. Commissioner*** and held that a **home office** could qualify for a deduction under Section 280A of the Internal Revenue Code as the taxpayer's "principal place of business" only if it was "the most important or significant place for the business." Writing for the majority, **Justice Kennedy** tightened the test for determining eligibility for the home office deduction, disqualifying taxpayers who would have received the deduction under a looser test crafted by the Tax Court. This case has significant consequences because approximately **35 million** American taxpayers maintain home offices. Similarly, in ***Bufferd v. Commissioner***, the Supreme Court ruled unanimously in the Government's favor on a statute of limitations question that will affect **thousands of shareholders of Subchapter S corporations.** These Supreme Court victories illustrate the importance of appellate litigation conducted by the Tax Division -- **a single case or series of cases may establish the "rules of the road" that will affect tax returns filed by millions of taxpayers and secure billions of dollars in revenue.**

While Supreme Court cases almost always involve issues of administrative importance, so do cases that arise in the courts of appeals. For example, our Appellate Section secured a major victory in ***Stokely-Van Camp v. United States***, when it persuaded the Federal Circuit to uphold the Claim's Court decision disallowing the deduction a taxpayer had claimed for "greenmail" **payments**. The court held that the **$2 million** premium Stokely paid to redeem stock from corporate raiders it believed were planning a hostile takeover could not be deducted as an ordinary and necessary business expense. Because that payment generated long-term benefits for the taxpayer, Stokely was required to capitalize the payment. With the explosion of takeover activity in the mid-1980's, the IRS has estimated that questions involving the deductibility of such "greenmail" payments and other merger-related expenses involve **over $3.5 billion** in potential revenue nationwide.

Often the administrative importance of Appellate Section cases is measured not in dollars, but in the effect they have on maintaining the integrity of the Federal tax system. For example, in ***Apache Bend Apartments, Ltd. v. United States***, the Fifth Circuit, sitting en banc, reversed an adverse lower court decision and held (10-4) that the plaintiffs lacked standing to challenge certain transition rules designed to benefit third parties enacted as part of the Tax Reform Act of 1986. The court of appeals found that the "injury" asserted by the plaintiffs amounted to no more than a "generalized grievance," no different from the "injury" suffered by any other taxpayer who failed to receive favorable treatment accorded others under the tax code. **A contrary decision would have opened the litigation floodgates, causing the courts to be deluged with countless suits filed by individuals and organizations who "lost" in the legislative arena.** This precedent will be particularly helpful in warding off attacks on the recently-passed Omnibus Budget Reconciliation Act of 1993.

Finally, like other components in the Tax Division, the Appellate Section has witnessed a marked increase in bankruptcy cases, many of which involve important and recurring issues. For example, in ***In re Century Boat***, Appellate Section attorneys convinced the Sixth Circuit to reverse an adverse district court decision and to hold that the Internal Revenue Service's priority claim for taxes in a Chapter 7 liquidation should not be denied as untimely even though the IRS did not file its claim until well after it received notice of the bankruptcy proceeding. **A contrary holding might have let thousands of Chapter 7 debtors obtain a windfall at the expense of the Federal Treasury and would have added to IRS woes in dealing with the hundreds of thousands of bankruptcies filed annually by tax debtors.** In another favorable bankruptcy decision, the Fourth Circuit held in ***In re Landbank Equity***

Corporation, that a tax debtor in bankruptcy must shoulder the burden of persuasion when it resists tax claims. This is a very important ruling, because the debtor, rather than the IRS, its involuntary creditor, controls the evidence on most tax issues. Our success in sustaining this precedent, which bucked the trend of losses on this issue (see *In re Placid Oil* (5th Cir.)), has implications in thousands of bankruptcies filed each year in which substantive tax issues are presented, and will help ensure that the Government's revenue interests in these cases are not unduly prejudiced.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	88	80	$7,692	87	77	$7,321	(1)	(3)	($371)

A program decrease of 1 position, 1 workyear (1 clerical), and $46,000 is required to meet workyear levels established by the Administration. A program decrease of 2 workyears (1 attorney and 1 clerical) and $261,000 plus an additional decrease of $64,000 in administrative expenses is required to assist in controlling the Federal deficit, and improving the Federal government's administration productivity.

	1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
CRIMINAL TAX PROSECUTION	139	131	$12,373	132	124	$13,172	127	117	$12,360	(5)	(7)	($812)

LONG RANGE GOAL: To promote voluntary compliance with the nation's tax laws by investigating and prosecuting individuals and corporations for violations of Federal criminal tax laws.

MAJOR OBJECTIVES:

To promote compliance with the tax laws by investigating and prosecuting criminal violations in cases referred by the IRS and the U.S. Attorneys' Offices, and to handle appeals resulting from these prosecutions.

To monitor and participate in grand jury investigations and to review grand jury evidence to determine whether to authorize prosecution for tax crimes.

To ensure coordination between the U.S. Attorneys' Offices and the Criminal Investigation Division of the IRS in criminal tax investigations and prosecutions.

To investigate and prosecute cases arising from the savings and loan crisis and to support the efforts of the offices of U.S. Attorneys and the Criminal Division in the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA) initiative.

To supervise and prosecute criminal tax cases involving tax protester schemes, electronic filing fraud, money laundering, bankruptcy fraud, off-shore banking operations, motor fuel evasion schemes, and other criminal tax evasion activities, including those sponsored by organized crime.

To protect the Federal Treasury by ensuring that abusive tax shelter and tax evasion schemes are detected, investigated, and successfully prosecuted.

BASE PROGRAM DESCRIPTION: By ensuring that the criminal tax laws and related criminal statutes are actively and fairly enforced, the Tax Division's Criminal Tax Prosecution program deters taxpayer fraud and promotes voluntary compliance with the nation's tax laws. Attorneys in the Criminal Enforcement Sections investigate and prosecute individuals and corporations that willfully fail to file returns, file false returns, or otherwise intentionally evade their obligations under the Federal tax laws. They also investigate and prosecute tax violations arising from financial institution fraud, narcotics-related crimes, bankruptcy fraud, organized crime, public corruption, and domestic and international tax conspiracies. A balanced compliance program is maintained through criminal investigation and prosecution of individuals and corporations in a wide variety of industries and occupations.

The Criminal Enforcement Sections receive prosecution and grand jury referrals in tax cases from the IRS and screen them to ensure that uniform standards of prosecution are employed and that all criminal tax violations warranting prosecution are, in fact, prosecuted. The review of criminal tax cases by Criminal Enforcement attorneys contributes to the high overall quality of criminal tax prosecutions and **results in better than a 95 percent conviction rate**, essential to deter taxpayer fraud. Authorized prosecutions are handled either by the U.S. Attorneys, or, in complex or significant cases, by the Tax Division's own Criminal Enforcement attorneys. Our attorneys also provide legal advice to the U.S. Attorneys' Offices on a wide range of issues and monitor the status of criminal tax cases that have been referred to those offices.

ACCOMPLISHMENTS AND WORKLOAD: Workload accomplishments of the Criminal Tax Prosecution program are summarized in the following table:

	1992		1993		Estimates 1994		Estimates 1995	
	Cases	Subj.	Cases	Subj.	Cases	Subj.	Cases	Subj.
1. Cases Received								
a. Complex	814	1,161	703	1,008	755	1,082	934	1,338
b. Non-complex	72	77	82	90	84	96	89	104
c. Outgrowths	454	824	649	1,234	678	1,274	770	1,418
Total Cases Received	1,340	2,062	1,434	2,332	1,517	2,452	1,793	2,860
Closings	1,303	1,925	854	1,336	816	1,273	781	1,222
Total subjects pending, EOY		5,486		6,482		7,661		9,299
Special Enforcement Cases Pending, EOY:								
Drug (Non-OCDE)		288		324		324		324
Excise Tax		100		242		250		270
FIRREA		94		95		95		95
ELF		359		561		600		610
Non-filer		117		220		245		265
2. Grand Jury								
Investigations Received	799		749		771		799	
Investigations Closed	474		362		346		295	
Pending, EOY	2,939		3,326		3,751		4,255	
3. Litigation Assignments	234	289	219	275	207	257	180	230

These data are derived from the Tax Division's automated monthly report of case receipts, closings, and related statistics. The 1992 and 1993 statistics reflect the actual end-of-year caseloads. Estimates for 1994 and 1995 are based upon internal data and statistics and budget information received from the Criminal Investigation Division of the IRS. Due to budget cuts that force reductions of 5 attorney workyears in 1994 and 5 more attorney workyears in 1995, the number of cases directly handled (litigation assignments) will decrease significantly.

The Tax Division's Criminal Enforcement Sections are responsible for authorizing and, at times, conducting grand jury investigations and prosecutions of tax crimes. The Tax Division has long recognized that the deterrent effect of detecting and successfully prosecuting criminal tax violators is critical to maintaining the public's compliance with the tax laws. Accordingly, the Tax Division has traditionally sought significant and visible prosecutions. Our Criminal Enforcement attorneys have also participated extensively in criminal tax prosecutions involving individuals implicated in financial institution fraud, organized crime activities, and narcotics trafficking.

Criminal Enforcement attorneys have actively contributed to the major success of the **Dallas Bank Fraud Task Force**, and are now dedicating significant resources to the Boston and San Diego Bank Fraud Task Forces. The Tax Division's participation in these Task Forces has so far yielded **48** tax-related convictions and **35** additional indictments. For example, Criminal Enforcement attorneys obtained the convictions on multiple charges of **William M. Adkinson** and eleven others. The so-called **Adkinson Group** engaged in an elaborate scheme to defraud two savings and loan institutions of approximately **$100 million** in connection with the acquisition of 20,000 acres of beach and timber land near Ft. Walton Beach, Florida. Adkinson was sentenced to **11 years** in prison and required to make **$3 million** in restitution payments to the IRS and the Resolution Trust Corporation. Criminal Enforcement attorneys also obtained the indictment of **David L. Paul**, former chairman of **Centrust Bank**, on charges of filing false tax returns, RICO conspiracy, and several bank fraud counts. Paul's activities led to the demise of **Centrust**, whose failure cost the Government approximately **$2 billion**. Other criminal enforcement attorneys obtained the conviction, on tax charges, of **William W. Batastini**, formerly the senior vice president and comptroller of the **National Bank of Georgia**. That bank was one of the institutions caught in the course of the Department's **BCCI investigation**.

During the past year, Criminal Enforcement attorneys also actively pursued criminal tax violations growing out of the operations of organized crime syndicates. As part of a major initiative focusing on motor fuel excise tax evasion, they successfully prosecuted **Marat Balagula**, reputed to be the **former head of Russian organized crime in the New York metropolitan area**, and four others on charges of evading gasoline excise taxes. Tax Division prosecutors also assisted the FBI and IRS in a coordinated, multi-district operation in which millions of dollars of property employed in motor fuel excise tax evasion schemes, including 50 tanker trucks, fuel depots and terminals, millions of gallons of gasoline and diesel fuel, computer equipment, and substantial sums of cash were seized. The two largest motor fuel tax evasion indictments in history sprang from this operation: a grand jury in the Eastern District of New York issued a superseding indictment of 7 individuals on charges of evading approximately **$85 million** in Federal excise taxes owed on the sale of approximately **946 million gallons** of gasoline. This indictment eclipsed the New Jersey indictment of alleged members of a Russian-emigre organized crime group and the Gambino organized crime family on racketeering and tax charges arising out of their alleged participation in a massive scheme to defraud the United States and the State of New Jersey of more than **$60 million** in gasoline and diesel fuel excise taxes on the sale of more than **650 million gallons** of motor fuel. Over the last three years, Tax Division prosecutors have obtained **61** convictions in motor fuel tax cases. Tax fraud in motor fuels has been estimated to cost the Federal Treasury over a **billion dollars** annually.

Criminal Enforcement attorneys continue to play a critical role in putting major drug kingpins behind bars. For example, Criminal Enforcement attorneys obtained the high-profile convictions of **Carl E. Whittenberg** and **Harry L. Acor** on charges of tax evasion, money laundering, and narcotics-related charges. As part of a major drug trafficking and money laundering ring in **Las Vegas, Whittenberg and Acor flew large amounts of cocaine and marijuana from Mexico to Nevada and thereafter distributed the drugs in Nevada, Colorado, California, and Alaska.** Following the convictions in these cases, a federal jury ordered millions of dollars in cash, airplanes, classic cars, boats, real estate, private homes and an interest in a Las Vegas night club and casino forfeited to the United States. Tax Division attorneys also obtained the convictions of **Zaida Fatima Borge** and **Grezia Rabbal-Compte**, two members of what was reputed to be the **sixth largest narcotics ring** in the country. **This ring was responsible for importing twenty-five tons of marijuana and five tons of cocaine into the United States during the years 1981 through 1987.**

Though the Criminal Enforcement Sections devote substantial resources to enforcement programs centering on illegal-source income -- narcotics, organized crime, and financial institution fraud -- they have also intensified their investigation and prosecution of tax schemes involving unreported income legally obtained by individuals and corporations. In an effort to improve voluntary compliance with the tax laws, the Tax Division, working closely with the Criminal Investigation Division of the IRS, has launched a general enforcement initiative targeting willful non-filers. The IRS believes that over **seven million** taxpayers fail to file returns annually, costing the Federal Treasury over **$10 billion**. In an effort to drive such non-filers back into the system, between November 1, 1992, and August 1, 1993, **over 150 non-filers** were indicted. These indictments, which received heavy media coverage, were returned in over **40** different judicial districts across the country. The income unreported by these individuals ranged from less than **$10,000** to more than **$1 million**. The Tax Division and the Internal Revenue Service are committed to bolstering their enforcement efforts against non-filers over the next several years.

Finally, Tax Division attorneys are assisting the IRS in uncovering and prosecuting abuses of the Service's new electronic filing system. **During the last two fiscal years, the Tax Division has authorized the prosecution of 711 individuals and the convening of approximately 270 grand juries to investigate over 800 additional targets.** In the largest case to date, the Division prosecuted **24 individuals**, including 18 resident aliens, who led a Houston, Texas, electronic-filing scheme in which approximately **750** ineligible individuals, many of them **unemployed residents of low-income housing projects**, were recruited to file false returns electronically. Division Criminal Enforcement attorneys have obtained tax convictions of most of these defendants, who have received sentences ranging from **18 to 52 months in prison**.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Criminal tax prosecution	132	124	$13,172	127	117	$12,360	(5)	(7)	($812)

A program decrease of 5 positions, 7 workyears (5 attorney and 2 clerical), and $812,000 from the 1995 base is required to meet workyear levels established by the Administration and to assist in controlling the Federal deficit and improving the Federal government's administrative productivity. Among the administrative cost savings being considered are reductions in automated legal research, copier service, employee vehicle parking and equipment maintenance.

The decrease in our Criminal Enforcement resources would be greater were it not for the imperative need to support the IRS' efforts to improve its general criminal enforcement program. Statistics recently compiled by the Internal Revenue Service indicate that only approximately **84 percent** of the amount of income taxes that should be collected on legal-sourced income is actually being paid voluntarily by taxpayers. According to the IRS and the General Accounting Office, the so-called "tax gap" has grown to staggering levels -- **$127 billion** in 1992. Approximately **$10 billion** of this gap is attributable to non-filers. One of the Tax Division's primary missions is to increase the voluntary compliance rate and thereby reduce the tax gap.

The Tax Division has been working with the IRS to bolster the effectiveness of its general enforcement program, which is directed at criminal violations involving legal-sourced income. As part of this initiative, 155 individuals were indicted on non-filing charges between November 1, 1992 and August 15, 1993. Moreover, the IRS has begun to pump additional resources into this area. For 1993 and 1994, the IRS has redirected 2,275 workyears to this area and now has over 200 special agents working on non-filers alone. In addition, the 1994 IRS appropriation included $13,371,000 and 227 positions for tax fraud and financial investigation compliance initiatives.

The IRS estimates that with its additional resources, it will more than double -- to over 400 cases -- the number of general enforcement cases it refers annually to the Tax Division for prosecution. By avoiding further cuts in its resources, the Tax Division will ensure that the President's efforts to reduce the "tax gap" are successful and that the major revenue hemorrhage that would result from lax enforcement in this area is avoided.

	1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
CIVIL TAX LITIGATION	352	335	$32,503	350	333	$33,182	347	329	$32,506	(3)	(4)	($676)

LONG RANGE GOAL: To litigate all civil tax matters pending in Federal and State trial courts in a manner that will enhance voluntary compliance with the nation's internal revenue laws.

MAJOR OBJECTIVES:

To defend, and resolve fairly, all suits against the Government seeking a refund of taxes paid.

To defend the Government's interests in the tens of thousands of bankruptcy proceedings filed each year in which the Government has a tax claim.

To maximize the collection of taxes through the successful litigation of civil tax recovery suits and through prompt collection of all tax judgments entered in the Government's favor.

To facilitate on-going IRS investigations by seeking court orders enforcing administrative summonses issued by that agency.

To represent the Government in all injunctive, declaratory judgment, mandamus, jeopardy assessment, tort, and other civil tax suits.

To defend civil tort actions brought against revenue officials and thereby discourage nuisance suits against such officials.

To administer Freedom of Information Act and Privacy Act programs by appropriately balancing the public's right to information concerning the policies and practices of the IRS with the IRS' ability to conduct effective tax investigations and responsibility to safeguard statutorily-defined confidential material.

To furnish expert legal advice and other litigation support to IRS and U.S. Attorneys' Offices.

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BASE PROGRAM DESCRIPTION: Civil Tax Litigation attorneys handle all trial matters relating to the administration and enforcement of the tax laws and seek to resolve tax controversies on a basis that is fair and consistent with those laws. These attorneys litigate suits filed by or against taxpayers in the U.S. District Courts, the U.S. Bankruptcy Courts, and the U.S. Court of Federal Claims, including: tax refund suits brought by taxpayers challenging the IRS' determinations of their Federal tax liabilities; bankruptcy litigation involving the validity and priority of Federal tax claims and the feasibility of plans of reorganization; actions to enforce summonses seeking information needed by the IRS; suits to collect taxes and other moneys owed by taxpayers; suits brought against the United States, IRS, and other Government officials for tort violations allegedly committed in tax collection activities; suits against the Internal Revenue Service under the Freedom of Information and Privacy Acts; and State and local inter-governmental tax immunity suits. Civil Tax Litigation attorneys also represent the Government's interests in a myriad of litigation conducted in State courts.

ACCOMPLISHMENTS AND WORKLOAD: The accomplishments of the Civil Tax Litigation program are summarized in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
1. Defense Monetary Claims				
a. Tax Refund Cases				
Pending, Beginning of Year	2,488	2,365	2,046	1,926
Received	930	865	900	920
Closed	1,053	1,184	1,020	960
b. Other Defense				
Pending, Beginning of Year	1,112	1,208	1,268	1,318
Received	912	899	925	945
Closed	816	839	875	835
2. Recovery of Money				
a. Bankruptcy Cases				
Pending, Beginning of Year	4,936	5,297	4,609	6,609
Received	39,192	40,054	43,000	46,000
Closed	38,831	40,742	41,000	40,500
b. Other Recovery				
Pending, Beginning of Year	1,996	1,886	1,787	1,837
Received	868	903	1,050	1,650
Closed	978	1,002	1,000	870
3. Federal Civil Programs				
a. FOIA/Privacy Act				
Pending, Beginning of Year	136	146	138	130
Received	69	45	46	47
Closed	59	53	54	50
b. Summons Enforcement				
Pending, Beginning of Year	470	354	359	374
Received	1,394	1,331	1,375	1,405
Closed	1,510	1,326	1,360	1,285
c. Other Enforcement				
Pending, Beginning of Year	408	327	395	455
Received	273	388	390	400
Closed	354	320	330	315

Workload statistics were obtained from the Tax Division's automated monthly report of case receipts, closings, and related statistics. 1992 and 1993 statistics reflect the actual end-of-year caseloads. Estimates for 1994 and 1995 are based upon information from the IRS' automated case tracking system, the IRS's and the Division's analyses of the impact of recently-enacted legislation, and projections based on current and past caseload trends.

The Division's Civil Tax Litigation program represents its most comprehensive litigating function, involving approximately **45,000** cases annually. Our Civil Trial attorneys support the IRS' general compliance activities and special audit programs by defending the administrative determinations of that agency in the courts. The work of the Civil Trial Sections covers a broad spectrum of proceedings in the U.S. District Courts and the Court of Federal Claims, including tax refund suits and other suits brought by taxpayers, as well as actions brought by our attorneys at the request of the IRS to support its enforcement, audit, and collection programs. It also includes a burgeoning number of tax matters arising in the U.S. Bankruptcy Courts. The following cases that were handled by attorneys in the Division's Civil Trial Sections are representative of the diversity and importance of their work.

Cases handled by Civil Trial attorneys often govern thousands of cases pending administratively. A classic illustration is ***Fleet Management Services, Inc. v. United States***, in which our Civil Trial attorneys convinced a district court that the taxpayer could not recharacterize amounts paid as wages to its employees as travel advances and thus escape employment taxes on these amounts. This was the first judicial decision in one of nearly **two hundred cases** filed in the courts involving this issue; **thousands** of similar matters are pending at the administrative level. In yet another broad-sweeping decision, the District Court in ***United States of America v. Indianapolis Athletic Club, Inc.*** held that a fifteen percent service charge levied by a private club on members and their guests using its dining facilities constituted wages, not tips, and thus were subject to FICA taxes. The litigation in these two cases is only illustrative of the growing importance of **employment tax cases** on the dockets of our Civil Trial Sections.

Many of the cases litigated by our Civil Trial attorneys also involve enormous amounts of revenue. For example, in ***Dow Corning Corporation v United States***, the Claims Court (now the Court of Federal Claims) upheld a critical Treasury Regulation governing the tax treatment of **Domestic International Sales Corporations** (DISCs). Although Congress in 1984 replaced the DISC provisions with the **Foreign Sales Corporation (FSC)** provisions, our victory in this important international case not only saved the Treasury over **$10 million**, but also has major ramifications regarding the tax treatment FSCs, for which the Treasury has issued similar regulations. Tax Division attorneys also convinced the Court of Federal Claims to rule in the Government's favor in ***Lane Bryant, Inc., and the Limited, Inc., v United States***. The court held that a **$2 million** premium paid by a corporation to purchase stock from shareholders it believed were planning a hostile takeover could not be deducted as ordinary and necessary business expenses. With the explosion of takeover activity in the 1980s, the IRS has estimated that questions involving the deductibility of such "greenmail payments" and other merger-related expenses involve over **$3.5 billion** in potential revenue nationwide.

During the past year, Civil Trial attorneys also secured a number of major victories in the U.S. Bankruptcy Courts. For example, in ***In Re Days Inn of America***, civil trial attorneys spent hundreds of hours conducting discovery which led to a favorable settlement in which the Government received in excess of **$30 million**. And in ***In Re Brown Transport Corporation***, civil trial attorneys negotiated a **$2.8 million** settlement of seven consolidated Chapter 7 bankruptcy actions, while at the same time fending off a **$19 million** claim by the Bank of Boston that would have all but eliminated any recovery for the Government in this case. Overall, Civil Trial attorneys were involved in nearly **40,000** bankruptcy cases in 1993, including cases with tax claims totalling **billions of dollars** stemming from the bankruptcies of companies such as **Drexel, Burnham, Lambert; Campeau (Federated Department Stores); Financial Corporation of America; Revco; Transworld Airlines; Continental Airlines; Southland; Imperial Bank; Windsor Properties; Lone Star Steel; and Greyhound Lines**.

Frequently, our Civil Trial attorneys are required to take dramatic action to protect Federal revenues. For example, in ***United States v. Guy E. McGaughey***, Civil Trial attorneys employed a wide range of remedies in collecting over **$2.5 million** in back taxes owed by the taxpayer, an attorney in Indianapolis. Through investigations, informants and civil search warrants, Civil Trial attorneys obtained information that allowed the IRS to levy on the accounts of *alter ego* corporations and to trace funds that had been shifted by the taxpayer to the **Cayman Islands** and **Austria**. These same attorneys then frustrated the taxpayer's attempt to use the bankruptcy laws to thwart collection efforts, convincing a district court not only to consolidate the taxpayer's bankruptcy with the pending collection proceedings, but also to appoint a receiver to take over all the taxpayer's assets. Finally, these attorneys were successful in recovering over **$1 million** owed by the taxpayer's primary client, the Golden Rule Insurance Company. **By successfully pursuing collection cases such as *McGaughey*, our civil trial attorneys collected over $430 million for the Federal Treasury in 1992 and 1993.**

Finally, our Civil Trial attorneys are conducting litigation in areas that dovetail with several of the Division's criminal tax initiatives. In ***Walsh Oil Co. v. United States***, they persuaded the court that a taxpayer, who had not registered properly to sell diesel fuel exempt from tax, could not seek a refund of taxes passed on to it by its suppliers in the form of higher diesel prices. The court held that the taxpayer lacked standing to bring suit because it had not actually paid the tax. The decision closed a line of defense that could have been advanced to thwart our criminal efforts in attacking the growing problem of motor fuel tax evasion, which is estimated to cost the Federal Treasury a **billion dollars** annually. **Our civil trial attorneys are also attempting to collect the taxes owed by individuals and companies which have been convicted of motor fuel tax evasion and to defend the tens of millions of dollars of seizures and forfeitures of property and cash arising out of these cases.**

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil tax litigation	350	333	$33,182	347	329	$32,506	(3)	(4)	($676)

A program decrease of 2 positions, 2 workyears (2 clerical), and $92,000 is required to meet workyear levels established by the Administration. A program decrease of 1 position, 2 workyears (2 clerical), and $325,000 plus an additional decrease of $259,000 in administrative expenses is required to assist in controlling the Federal deficit and improving the Federal government's administrative productivity. These decreases should have minimal impact on the effectiveness of our Civil Trial program.

	1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
MANAGEMENT AND ADMINISTRATION	106	110	$7,266	106	110	$8,253	99	102	$7,696	(7)	(8)	($557)

LONG RANGE GOAL: To provide Division-wide management and policy direction, including: maintaining effective liaison with the Internal Revenue Service, U.S. Attorneys' Offices, and other Department components; providing essential administrative, financial, personnel, and information systems support to Tax Division employees; promptly reviewing and analyzing proposed legislation affecting the nation's internal revenue system; and fulfilling the Division's administrative responsibilities under the Freedom of Information and Privacy Acts, as well as under Section 6103 of the Internal Revenue Code.

MAJOR OBJECTIVES:

To furnish policy guidance and direction for all litigating operations of the Tax Division.

To supply all required financial, technical, personnel, and other support services to components throughout the Tax Division.

To obtain funding and programmatic resources needed to sustain the Division's litigation program.

To represent the Tax Division effectively in its dealings with the Internal Revenue Service, the Office of Management and Budget, the offices of U.S. Attorneys, and the other components within the Department of Justice.

To maintain the EAGLE office automation network.

BASE PROGRAM DESCRIPTION: The Executive Direction, Legislative Affairs, and Administrative Services components of the Tax Division provide leadership, policy guidance and direction, and administrative support to all components of the Tax Division. The Division's executive leadership establishes appropriate and uniform policies involving civil and criminal tax law enforcement, and promotes and maintains communication and liaison with the IRS, the Office of Management and Budget, the offices of the U.S. Attorneys, and other components of the Department of Justice. The legislative affairs program reviews and analyzes legislative proposals that directly affect the litigating mission of the Tax Division, and prepares all legislative reports required by Congress, the Office of Management and Budget, and the Department of Justice. Timely responses are also prepared to satisfy the requirements of the Freedom of Information and Privacy Acts.

The Administrative Section provides services relating to general administration, fiscal/budgetary controls, automated information systems technology support, personnel administration, and other administrative support services as required. It consists of three separate components: (i) the Executive Office, which provides overall control and policy guidance; (ii) the Administrative Services Staff, which is responsible for all accounting and financial services; budgetary planning and evaluation; personnel services, including monitoring the recruitment and hiring of Division personnel; case records and file management; procurement and facilities management; and (iii) the Information Management Staff, which is responsible for managing and maintaining the EAGLE office automation network and for providing all other information systems technology support required by Tax Division employees; litigation support services; a personal computer resource center; and a post-litigation operation which tracks and monitors the Division's debt collection operations.

ACCOMPLISHMENTS: The Tax Division senior management remains committed to maintaining and enhancing the standards of excellence that have been the hallmark of the Division since its inception. This commitment has resulted in improved internal management controls, better budget development and execution, enhanced office automation, and successful programs to improve employee training.

The Tax Division's primary mission is to promote the uniform and equitable enforcement of the nation's tax laws. In pursuing this goal, the Division's executive managers have fostered heightened cooperation with the **U.S. Attorneys** and the **Internal Revenue Service**, regularly meeting with representatives from those organizations to develop and coordinate law enforcement initiatives, and to discuss other matters of mutual concern. A byproduct of this development has been the Tax Division's increased participation and effectiveness in cooperative law enforcement efforts, such as the **Organized Drug Enforcement Task Forces** and the **Bank Fraud Task Forces**.

During the past year, the Tax Division has also been active on the **international enforcement** and **legislative fronts**. In the international arena, the Tax Division worked closely with the Treasury Department and the Internal Revenue Service in developing a **model mutual collection assistance provision** for use in tax treaty negotiations. When incorporated into treaties, this provision should enhance the ability of the United States to reach foreign assets of delinquent taxpayers. This provision was included in recently negotiated income tax treaties with the **Netherlands** and **Canada**, two of several important treaties Tax Division personnel helped negotiate during recent months. On the legislative front, Tax Division personnel, in coordination with the Internal Revenue Service, developed a set of proposals to amend the **Bankruptcy Code** to remedy several nagging problems experienced by the United States in the over **300,000 bankruptcies** filed each year in which taxes are owed. Again working closely with the Treasury Department and the IRS, Division personnel successfully pressed for significant changes in the **"Taxpayer Bill of Rights 2"** legislation. As a result of these efforts, the current version of this legislation should provide better protection for taxpayers without unnecessarily hindering the Department's activities or the Internal Revenue Service's revenue collection abilities.

During the past year, the Division's Office of Training continued to offer our employees top-rate educational opportunities. This program offers daily classes and video tape sessions to both our attorneys and non-legal support staff. In 1993, the office conducted a two-week **Civil Trial Advocacy** course for approximately **24 new attorneys**. The Office of Training also provided ethics and computer security training to all Tax Division personnel, while continuing its successful individualized word processing training program to enhance our clerical staff's secretarial skills.

Our Administrative Section's staff continued its record of achievement by delivering more services with fewer resources. Among its major accomplishments were the following: (i) saved the Division **hundreds of thousands** of dollars by establishing a viable in-house litigation support function using existing staff and off-the-shelf software to perform analyses of financial data in a variety of cases; (ii) saved the Division approximately **$600,000**, by installing a CD ROM-based automated legal research system that provides essential research tools at **one-third the cost of on-line services**; (iii) implemented a **computer security awareness training program** for all employees that is a model for a Department wide program; (iv) completed a consolidation of space that will save the Division **$100,000** in rent costs in 1994, and proposed additional steps that should save an additional **$400,000** or more in rent in 1995; (v) improved the quality and timeliness of our **automated information system's** long-range strategic and tactical planning efforts, and developed audit procedures to improve the accuracy of our case management system; (vii) installed an **automated procurement system** on a local area network to expedite small purchase procedures and improve record keeping; and (viii) consolidated administrative functions and established cost tracking systems of various recurring charges such as **long distance phone bills** and **overnight express mailings** that greatly reduced overhead costs for these items. Each of these achievements allowed the Division to weather tight budget times and contributed significantly to the overall success experienced by the Division in the past year.

Finally, this past year, the Tax Division dedicated considerable resources to improving its debt collection efforts. The results have been encouraging: In 1993 the Tax Division collected **$129 million** in outstanding debts, while establishing additional judgments in the amount of **$147 million**. The Tax Division hopes to play a major role in the Internal Revenue Service's increased efforts to reduce its accounts receivable inventory. Special emphasis will be placed on large-dollar accounts -- according to IRS statistics, the Service is currently tracking **208** individual and business accounts, each of which exceeds **$10 million** and collectively amount to over **$10.5 billion** in potentially collectible revenue.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration	106	110	$8,253	99	102	$7,696	(7)	(8)	($557)

A program decrease of 4 positions, 3 workyears (3 support), and $140,000 is required to meet workyear levels established by the Administration. A program decrease of 3 positions, 5 workyears (5 support), and $344,000, plus an additional decrease of $73,000 in administrative expenses, is required to assist in controlling the Federal deficit and improving the Federal government's administrative productivity. These reductions reflect the Division's emphasis on maintaining the maximum level of attorney resources within its litigation programs. While a limited number of these cuts, e.g. from the Division personnel staff, can be absorbed by virtue of declining personnel levels, the bulk of these cuts will necessitate some reduction in services provided to the Division.

Tax Division
Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

Item	Federal Appellate Activity								Criminal Tax Prosecution							
	Permanent cut in Pos & FTE		Program Reductions		Administrative Savings		Locality Pay		Permanent cut in Pos & FTE		Program Reductions		Administrative Savings		Locality Pay	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																
GM-14	...	...	..	...	...	...	...	...	(3)	($204)	...	...	...	...	...	...
GM-9	(1)	($31)	..	...	...	...	...	...	(1)	(31)	(1)	($31)	...	...	...	...
Total positions and annual rate	(1)	(31)	..	...	...	...	...	...	(4)	(235)	(1)	(31)	...	...	...	...
Lapse	...	...	..	...	...	...	...	...	...	...	...	...	...	...	...	...
Other workyears	...	...	(2)	($131)	...	...	...	...	...	...	(2)	(136)	...	...	...	...
Other personnel compensation	...	...	..	...	...	...	...	...	...	...	...	...	...	...	...	...
Administratively determined salaries	...	...	..	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	(1)	(31)	(2)	(131)	...	...	...	...	(4)	(235)	(3)	(167)	...	...	...	...
Personnel benefits		(8)		(31)		...		...		(55)		(39)		...		...
Travel and Transportation		...		(11)		($17)		...		(31)		(34)		($36)		...
GSA rent		(4)		(16)		...		($57)		(28)		(20)		...		($72)
Other rent		(1)		(4)		(14)		...		(8)		(6)		(13)		...
Printing		...		...		(1)		...		...		...		(1)		...
Other services		(1)		(7)		(22)		...		(16)		(10)		(20)		...
Purchases of goods & services from other agencies		...		(2)		(5)		...		(3)		(3)		(5)		...
Supplies and materials		(1)		(2)		(5)		...		(3)		(2)		(5)		...
Equipment		...		...		...		...		...		...		...		...
Total program workyears and obligations changes requested, 1994	(1)	(46)	(2)	(204)	...	(64)	...	(57)	(4)	(379)	(3)	(201)	0	(80)	0	(72)

Tax Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

Item	Civil Tax Litigation								Management and Administration								Total							
	Permanent cut in Pos & FTE		Program Reductions		Administrative Savings		Locality Pay		Permanent cut in Pos & FTE		Program Reductions		Administrative Savings		Locality Pay		Permanent cut in Pos & FTE		Program Reductions		Administrative Savings		Locality Pay	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																								
GS-14	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	(3)	($206)	...	...	...	...	...	...
GS-9	(2)	($63)	(1)	($32)	...	...	...	...	(4)	($125)	(3)	($94)	...	...	...	...	(8)	(250)	(5)	($157)	...	...	...	...
Total positions and annual rate	(2)	(63)	(1)	(32)	...	...	...	...	(4)	(125)	(3)	(94)	...	...	...	...	(11)	(454)	(5)	(157)	...	...	...	...
Lapse	...	...	...	...	...	...	...	...	1	31	...	...	...	...	...	...	1	31	...	...	...	...	...	...
Other workyears	...	...	(1)	(31)	...	...	...	...	...	...	(2)	(89)	...	...	...	...	...	...	(7)	(307)	...	...	...	...
Other personnel compensation	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Administratively determined salaries	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	(2)	(63)	(2)	(63)	...	...	...	...	(3)	(94)	(5)	(183)	...	...	...	...	(10)	(433)	(12)	($464)	...	...	...	...
Personnel benefits		(15)		(15)		...		...		(23)		(46)		...		...		(101)		(131)		...		...
Travel and Transportation		...		...		($89)		...		...		...		($28)		...		(31)		(45)		($170)		...
GSA rent		(8)		(8)		...		($233)		(10)		(25)		...		($66)		(50)		(69)		...		($628)
Other rent		(2)		(2)		(29)		...		(4)		(7)		(14)		...		(15)		(19)		(70)		...
Printing		...		...		(1)		...		(1)		(5)		...		...		(3)		(5)		(3)		...
Other services		(2)		(2)		(101)		...		(3)		(6)		(22)		...		(22)		(25)		(165)		...
Purchases of goods & services from other agencies		(1)		(1)		(20)		...		(1)		(2)		(5)		...		(5)		(3)		(35)		...
Supplies and materials		(1)		(1)		(19)		...		(2)		(4)		(4)		...		(7)		(5)		(33)		...
Equipment		...		...		...		...		...		...		...		...		...		...	...	...	...	...
Total program workyears and obligations changes requested, 1994	(2)	(92)	(2)	(92)	...	(259)	...	(233)	(3)	(140)	(5)	(270)	...	(73)	...	(66)	(10)	(657)	(12)	(866)	...	(476)	...	(628)

Tax Division
Salaries and Expenses, General Legal Activities
Detail of Permanent Positions by Category
Fiscal Years 1993 - 1995

Category	1993 Authorized	1994 Adjustment in Permanent Positions	1994 Total	1995 Adjustment in Permanent Positions	1995 Total
Attorneys (905)	388	-6	382	-3	379
Paralegal Specialists (950)	26	...	26	...	26
Other Legal and Kindred (900-998)	29	...	29	...	29
Gen. Admin. Clerical and Office Services (300-399)	251	-4	247	-26	221
Accounting and Budget (500-599)	5	...	5	...	5
Total	699	-10	689	-29	660
Washington	668	-10	658	-29	629
U.S. Field*	31	...	31	...	31
Total	699	-10	689	-29	660

* Includes one permanent field office in Dallas, Texas and personnel assigned to the Dallas Bank Fraud Task Force.

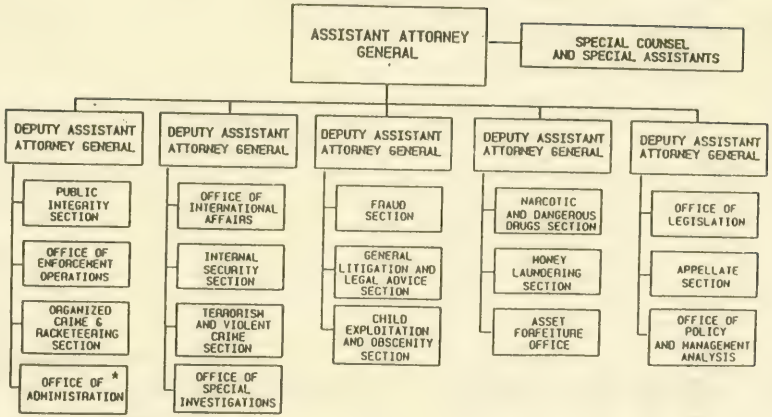
Tax Division
Salaries and Expenses
Summary of requirements by Grade and Object Class
(Dollars in thousands)

	1993 Actual		1994 Estimate		1995 Estimate		Increase/Decrease	
Grades and salary ranges	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III, $119,300	0		0		0		0	
Executive Level IV, $112,100	1		1		1		0	
ES-5 $108,300	3		3		3		0	
ES-4 $104,000	15		15		15		0	
ES-1, $90,000	2		2		2		0	
GS/GM-15 $66,610-86,592	115		115		115		0	
GS/GM-14 $56,627-73,614	85		85		82		(3)	
GS/GM-13 $47,920-62,293	97		97		97		0	
GS-12 $40,299-52,385	72		66		66		0	
GS-11 $33,623-43,712	30		30		30		0	
GS-10 $30,603-39,787	3		3		3		0	
GS-9 $27,790-36,124	50		50		24		(26)	
GS-8 $25,160-32,710	29		29		29		0	
GS-7 $22,717-29,540	83		83		83		0	
GS-6 $20,442-26,574	43		43		43		0	
GS-5 $18,340-23,847	34		30		30		0	
GS-4 $16,393-21,311	17		17		17		0	
GS-3 $14,603-18,980	15		15		15		0	
GS-2 $13,382-16,838	5		5		5		0	
Locality pay	...		...	1,306	...	1,306	0	...
1995 pay raise	...		...	...	...	400	0	400
Total, appropriated positions	699	34,870	689	37,405	660	37,399	(29)	(6)
Pay above stated annual rates		121		142		0	0	(142)
Lapses	(50)	(1,907)	(53)	(2,621)	(59)	(2,521)	(6)	100
Savings due to lower pay scales for part of the year		(323)		(326)		(100)	0	226
Net full-time permanent	649	32,761	636	34,600	601	34,778	(35)	178
Other than permanent:								
Part-time permanent	17	919	13	879	13	901	0	22
Temporary employment	15	393	11	250	11	256	0	6
Other personnel compensation:								
Overtime	5	100	5	163	5	163	0	0
Administratively uncontrollable overtime		0		0		0	0	0
Other compensation		131		177		177	0	0
Special personal services payments		20		0		0	0	0
Total, workyears and personnel compensation	686	34,324	665	36,069	630	36,275	(35)	206
Average ES Salary		103,667		108,052		108,052		
Average GS/GM Salary		48,220		52,204		55,872		
Average GS/GM Grade		10.6		10.6		10.7		

Tax Division
Salaries and Expenses
Summary of requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Estimate Positions & Workyears	1994 Estimate Amount	1995 Estimate Positions & Workyears	1995 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
11.1 Full-time permanent	649	32,761	636	34,600	601	34,778	(35)	178
11.3 Other than full-time permanent	32	1,312	24	1,129	24	1,157	0	28
11.5 Other personnel compensation	5	231	5	340	5	340	0	0
11.8 Special personal services payments		20		0		0	0	0
Total	686	34,324	665	36,069	630	36,275	(35)	206
Reimbursable workyears:								
Full-time permanent	(12)		(12)		(12)		0	
Other than permanent								
Other objects:								
12 Personnel benefits		7,577		7,896		8,030	0	134
13 Benefits to former personnel		29		38		48	0	10
21 Travel and transportation of persons		2,977		3,300		3,232	0	(68)
22 Transportation of things		142		141		147	0	6
23.1 GSA rent		6,457		6,600		6,384	0	(216)
23.2 Rental payments to others		0		0		0	0	0
23.3 Communications, utilities and miscellaneous charges		1,634		1,342		1,379	0	37
24 Printing and reproduction		67		366		388	0	22
25.2 Other services		2,146		2,331		2,489	0	158
25.3 Purchase of Goods & Services from Other Government Agencies		537		735		840		105
26 Supplies and materials		551		474		492	0	18
31 Equipment		49		171		179	0	8
Total obligations	686	56,490	665	59,463	630	59,883	(35)	420
Relation of obligations to outlays:								
Obligated balance, start-of-year		8,478		8,524		8,919		
Obligated balance, end-of-year		(8,524)		(8,919)		(8,983)		
Adjustments in expired accounts		0		0		0		
Outlays		56,444		59,068		59,819		

CRIMINAL DIVISION



* - The Office of Administration is no longer under the supervision of a Deputy Assistant Attorney General. The Office falls under the direct supervision of the Assistant Attorney General.

Approved: _____ Date 1-12-91
DICK THORNBURGH

Criminal Division
Salaries and Expenses
Crosswalk of 1994 Changes
(Dollars in thousands)

	1994 President's Budget Request			Reprogramming Actions on 1994 Request			Adjustment in Workyear Ceiling			Transfer From FEW for BNL Task Force			1994 Appropriation Enacted		
	Pos	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Organized Crime and Narcotics	149	129	13,964	(33)	(13)	(2,276)	-	1	-	--	--	--	116	117	11,688
White Collar Crime	181	227	23,880	62	15	536		2	-	-	--	2,235	243	244	26,651
International	179	167	16,624	(41)	(29)	(2,598)		2	-	--	--	-	138	140	14,026
Litigation Support	138	126	11,413	8	20	3,609	.	4	--	--	--	--	146	150	15,022
Management and Administration	98	95	9,628	4	7	929	.	9	--	--	--	--	102	111	10,557
Total	745	744	75,709	0	0	0	.	18	--	--	--	2,235	745	762	77,944

A FY 1994 reprogramming is planned to more accurately reflect the Division's current distribution of resources

Criminal Division
Salaries and Expenses
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	WY	Amount
1994 as Enacted	745	744	75,709
Adjustment in Workyears	...	18	...
Transfer from FEW for BNL Task Force	...	...	2,235
1994 Appropriation Anticipated	745	762	77,944
Transfers from Other Accounts:			
Mail Management	...	...	62
Mandatory increases:			
1995 Pay Raise at 1.6%	...	...	663
Annualization of 1994 Enhancements	...	...	506
Within-grade increases	...	...	617
Accident compensation	...	...	62
Locality Pay	...	...	580
Unemployment Compensation	...	...	11
Project EAGLE Maintenance	...	...	173
Distributed administrative support	...	...	13
FTS 2000	...	...	85
Employee data and payroll services	...	...	7
General pricing level adjustments	...	...	671
Total, mandatory increases	...	...	3,388
Decreases:			
Adjustments in Permanent Positions	(8)	(8)	...
GSA Rent	...	...	(1,217)
One less compensable day	...	...	(195)
Non-recurring Transfer from FEW	...	...	(2,235)
Total, decreases	(8)	(8)	(3,647)
1995 Base	737	754	77,747

Estimates by Budget Activity	1993 Actual			1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos	WY	Amount
Criminal Matters	849	754	$71,023	745	762	$77,944	737	754	$77,747	717	734	$75,541	(20)	(20)	($2,206)

Criminal Division
Salaries and Expenses
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	WY	Amount
1994 as Enacted	745	744	75,709
Adjustment in Workyears	...	18	...
Transfer from FEW for BNL Task Force	...	...	2,235
1994 Appropriation Anticipated	745	762	77,944
Transfers from Other Accounts:			
Mail Management	...	...	62
Mandatory increases:			
1995 Pay Raise at 1.6%	...	...	663
Annualization of 1994 Enhancements	...	...	506
Within-grade increases	...	...	617
Accident compensation	...	...	62
Locality Pay	...	...	580
Unemployment Compensation	...	...	11
Project EAGLE Maintenance	...	...	173
Distributed administrative support	...	...	13
FTS 2000	...	...	85
Employee data and payroll services	...	...	7
General pricing level adjustments	...	...	671
Total, mandatory increases	...	...	3,388
Decreases:			
Adjustments in Permanent Positions	(8)	(8)	...
GSA Rent	...	...	(1,217)
One less compensable day	...	...	(195)
Non-recurring Transfer from FEW	...	...	(2,235)
Total, decreases	(8)	(8)	(3,647)
1995 Base	737	754	77,747

Estimates by Budget Activity	1993 Actual			1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Matters	849	754	$71,023	745	762	$77,944	737	754	$77,747	717	734	$75,541	(20)	(20)	($2,206)

Criminal Division
Summary of Resources by Program
(Dollars in thousands)

	1993 as Enacted			1993 Actual			1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount
Criminal Matters																		
Organized Crime and Narcotics	149	129	$13,175	149	125	$12,768	116	117	$11,688	114	115	$12,060	111	112	$11,658	(3)	(3)	($402)
White Collar Crime	285	261	24,390	285	252	23,634	243	244	26,651	240	241	25,097	233	234	24,362	(7)	(7)	(735)
International	179	169	15,685	179	162	15,198	138	140	14,026	137	139	14,427	133	135	13,992	(4)	(4)	(435)
Litigation Support	138	130	10,957	138	123	10,617	146	150	15,022	145	149	15,347	142	146	14,995	(3)	(3)	(352)
Management and Administration	98	95	9,085	98	92	8,806	102	111	10,557	101	110	10,816	98	107	10,534	(3)	(3)	(282)
Total	849	784	$73,292	849	754	$71,023	745	762	$77,944	737	754	$77,747	717	734	$75,541	(20)	(20)	($2,206)
Reimbursable workyears		6			6			6			6			6			0	
		790			760			768			760			740			(20)	
Overtime		2			2			2			2			2			0	
		792			762			770			762			742			(20)	

C3

Criminal Division
Salaries and Expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousands)

Estimates by budget activity	1994 Appropriation Enacted			1995 Base			1996 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos	WY	Amount	Perm. Pos.	WY	Amount
Criminal Matters												
Organized Crime and Narcotics	116	117	$11,688	114	115	$12,060	111	112	$11,658	(3)	(3)	($402)

The program changes listed above are explained in detail in the Justification of Multi-Activity Program Changes exhibit located on the last page of this narrative.

Long Range Goal: - To reduce the growth of organized crime and drug trafficking and increase the number of money laundering prosecutions.

Major Objectives:

Organized Crime and Racketeering Section

To ensure the investigation and prosecution of all major organized crime groups and activities.

To use innovative investigative and litigative approaches utilizing all appropriate criminal and civil remedies against organized crime.

To set and maintain national goals, priorities and standards in joint program planning and execution by Federal, State and local agencies active in organized crime law enforcement.

Narcotic and Dangerous Drug Section

To assist the Department in fulfilling its responsibilities in the development and implementation of domestic and international narcotics law enforcement programs and policies.

To provide direct litigative support to the Organized Crime Drug Enforcement Task Force (OCDETF) and High Intensity Drug Trafficking Area (HIDTA) Programs, other multi-agency initiatives, and U.S. Attorneys' Offices in recusal matters or as requested.

To participate, on behalf of the Department, in developing and administering cooperative drug enforcement initiatives and projects conducted by the law enforcement and intelligence communities.

Money Laundering Section

To coordinate multi-district investigations and prosecutions.

To provide guidance, legal advice and assistance with respect to money laundering investigations and prosecutions to U.S. Attorneys' Offices and investigative agencies.

To develop regulatory and legislative initiatives.

To ensure, through implementation of the money laundering prosecution guidelines, the uniform application of the money laundering statutes.

To litigate complex, sensitive and multi-district money laundering cases and provide litigative assistance to U.S. Attorney's Offices and Criminal Division components.

To participate in international efforts to combat money laundering, including the 26-nation Financial Action Task Force, Organization of American States/CICAD and the Caribbean Financial Action Task Force.

To develop, use and teach cutting-edge investigative and prosecutive methodologies.

To identify new trends and typologies in money laundering.

To develop national policy and strategy with respect to new and emerging trends, coordinate responses among appropriate agencies.

To provide training materials and conferences for Departmental attorneys and law enforcement personnel.

Base Program Description:

Organized Crime and Racketeering Section

Program resources are directed at those organized crime groups, whether La Cosa Nostra (LCN), Sicilian Mafia and related Italian-based groups, Asian organized crime, Russian and East European organized crime, or other emerging groups, which pose the greatest threat to the economic and social well-being of the nation.

Under the National Organized Crime Strategy, the chief priority is La Cosa Nostra activity and affiliated labor racketeering, followed by emerging organized crime groups: Italian-based organized crime groups (including the Sicilian Mafia, 'Ndranghetta and Camorra), Chinese, Japanese, and other Asian organized crime groups, and Russian and East European crime groups. Other emerging organized crime groups are addressed by other Department initiatives or, in

exceptional circumstances, by organized crime program resources as conditions permit. Quality control and compliance with Department prosecutorial policies and procedures are guaranteed by the prosecution memorandum approval process and continuous supervisory contacts. Program priorities are set through the Attorney General's Organized Crime Council and implemented by the Organized Crime and Racketeering Section, which complements the extensive interagency communication in the field on case-related matters with regular assessments of local program effectiveness in each Strike Force city and in Washington, D.C.

The Organized Crime and Racketeering Section has primary responsibility for coordinating the efforts of Organized Crime Strike Force Units located within United States Attorneys' offices in 23 cities where the threat from organized crime groups currently is deemed the most serious. Each Strike Force Unit submits proposed case initiations and prosecution recommendations to the Organized Crime and Racketeering Section for approval. Through the Case Initiation Report approval mechanism, management regulates the application of national priorities. The supervisory officials of the Section review and approve all Strike Force Unit Case Initiation Reports, prosecution memoranda, and indictments; requests for electronic surveillance orders; witness immunity orders; and all other substantive and procedural matters relating to the conduct of investigations and prosecutions in organized crime cases. In addition, the Chief, Deputy Chiefs, and other Headquarters personnel carry out extensive oversight of Strike Force Unit activities through field visits to each Strike Force Unit.

In addition to its function as the central coordinating office for the Department's national organized crime program, the Organized Crime and Racketeering Section has a strategic reserve of experienced prosecutors to try labor racketeering, RICO, and other organized crime cases wherever needed. These lawyers serve to complement the Strike Force Units and provide expertise to those units and other United States Attorneys' Offices that are prosecuting organized crime cases. The attorneys are principally used to litigate organized crime cases in the seventy districts that do not have Strike Force Units, and in those districts where those units are very small. They also help the larger Strike Force Units when special subject expertise or emergency assistance is required. In addition, these lawyers are available to identify and to target emerging criminal organizations and to develop new methods of prosecution.

The Organized Crime and Racketeering Section also provides staff, as necessary, to the Attorney General's Organized Crime Council (AGOCC), which was established in 1990 to oversee the national effort against organized crime. That Council is chaired by the Deputy Attorney General, and consists of the Assistant Attorney General, Criminal Division; the Chair of the Attorney General's Advisory Committee (AGAC); and the head of each concerned Federal investigative agency. The AGOCC reviews policies, promotes interagency coordination, reviews priorities, and evaluates the threat presented by emerging organized crime elements in order to establish national priorities and to memorialize a national strategy to combat organized crime.

The Organized Crime and Racketeering Section is required to issue a biennial report to the Organized Crime Council on the status of the Strike Force program. The challenge facing law enforcement today is to sustain our pressure on the La Cosa Nostra and, at the same time, prevent emerging organized criminal groups from acquiring a power base. Organized crime in the United States today is a complex tapestry of multiple groups supported, wittingly or unwittingly, by

numerous protectors, specialists and associates. In offenses where traditional organized crime families are involved and in cases where emerging groups participate in multiple crimes besides narcotics, the Criminal Division's Organized Crime and Racketeering Section will provide guidance, support, and a strategic reserve of experienced prosecutors to complement the United States Attorneys and the Strike Force Units in those offices. The Section's coordination of national projects regarding Asian organized crime, for example, will increase as we continue to gain more expertise in this area of growing concern.

Finally, in addition to its responsibilities for coordination and direct handling of organized crime investigations and prosecutions, the Section has numerous responsibilities arising from its supervisory authority over various general racketeering and labor-racketeering statutes. These duties are handled by two specialized groups of attorneys within the Section, the Labor-Management Unit and the RICO Unit.

As liaison to other Federal agencies with enforcement and regulatory responsibility in regard to labor and pension-welfare matters, the Labor-Management Unit coordinates the Department's effort with other Federal agencies to implement recommendations made by the President's Commission on Organized Crime and has drafted legislation which would enact into law several of the Presidential Commission's proposals and three new statutory initiatives with respect to labor-management racketeering. The Unit also coordinated and monitors on behalf of the Criminal Division the agency-wide appointment of the Labor Department's labor racketeering investigators as special deputy United States Marshals.

In addition, abuses involving organizations which purport to provide insurance-type benefits to small employers seeking to lower their employee health care costs (MEWAs) have confronted prosecutors with novel issues concerning the scope of the Federal laws governing employee benefit plans. Such prosecutions have been classified as matters for enhanced prosecutive priority as part of the Department's program against abuses in the insurance industry. Attorneys assigned to the Labor-Management Unit closely monitor and have participated directly in prosecutions regarding these issues. The heightened awareness of abuses in the benefit plan industry has resulted in requests to Unit attorneys for increased participation in investigative training programs conducted by the Department of Labor for its labor racketeering and pension-welfare investigators.

The Section's RICO Unit is responsible for detailed review of each of more than 100 proposed RICO prosecutions submitted by United States Attorneys each year. These cases are not limited to organized crime; many involve matters such as narcotics trafficking, political corruption, complex white-collar fraud, and international terrorism. The Section's attorneys spend considerable time going over each such submission in order to ensure that any approved RICO indictment meets all applicable legal and policy standards of sufficiency. These attorneys also act as the Department's central repository of information about RICO, a very powerful statute which has attracted great controversy in the press, the private defense bar, and in Congress over the past 10 years or more. Section attorneys monitor all legal developments with the statute, and analyze the numerous legislative proposals that are introduced during each term of Congress to alter the statute in some significant ways. In addition, several attorneys from the RICO Unit travel to handle cases in the field in order to provide expertise in racketeering prosecutions to trial teams. This unit also provides review and advice with respect to several other often-used statutes, including Violent Crimes in Aid of Racketeering Activity, 18

U.S.C. 1959, the Travel Act, 18 U.S.C. 1952, and the Extortionate Credit Transactions (loansharking) statutes, 18 U.S.C. 891-894. Finally, the expansion of legalized gambling throughout the United States has led to a substantial workload in requests from Federal and state law enforcement authorities for opinions with respect to the application of Federal criminal statutes involving gambling, including the lottery statutes, the gambling machines statutes, and the Gambling Ships Act.

Narcotic and Dangerous Drug Section

The Narcotic and Dangerous Drug Section (NDDS) is comprised of the Section Chief and Special Counsel and three separate units: the Litigation Unit, the Policy Unit and the Drug Intelligence Unit. In addition to providing leadership and management to the Section, the Section Chief also serves as a designated representative of the Department on several senior-level joint committees of the intelligence and law enforcement communities to plan and coordinate joint international counternarcotics initiatives. In addition, the Section Chief serves as the designated representative of the United States Government in the implementation of the joint U.S.-Republic of Colombia evidence sharing initiatives, intended to facilitate the successful investigation and prosecution of major Colombian narcotics traffickers in Colombia. The Special Counsel provides support to the Section and the Division by serving as the Department's designated focal point for certain specified initiatives such as the Presidential-directed reviews of U.S. international counternarcotics policies and programs and the national policies relating to telecommunications and encryption. The Special Counsel also serves as the Legal Counsel for the National Drug Intelligence Center. The Litigation Unit is responsible for providing direct litigation support to the United States Attorneys throughout the country with emphasis on providing support to the OCDETF and the HIDTA Programs. Attorneys in the Policy Unit draft and comment on domestic and international narcotics legislation, strategies and statements of policy addressing topics such as precursor and essential chemical control, anabolic steroids, drug paraphernalia, domestic marijuana cultivation, and mandatory minimum and death penalty statutes. The Policy Unit also participates in proposing amendments to the Department's Sentencing Guidelines Committee by drafting and commenting on proposed amendments to the federal sentencing guidelines. In addition, Policy Unit attorneys review requests from U.S. Attorneys for authorization to seek the death penalty in controlled substances cases and recommend appropriate action by the Attorney General. Policy and Litigation Unit attorneys litigate the appeals arising from cases prosecuted by Section attorneys and appeals of denials or revocations of licenses and registrations by the Administrator of the Drug Enforcement Administration. Attorneys in the Drug Intelligence Unit administer the U.S.-Colombia Evidence Sharing Project and are also responsible for program management and the resolution of legal issues relating to the use of certain classified technologies in narcotics trafficking investigations.

Money Laundering Section

The Money Laundering Section's mandate is to vigorously attack the worldwide money laundering epidemic, working with the entire spectrum of law enforcement and regulatory agencies and using an interagency, interdisciplinary and international approach. Recognizing that money laundering is the epitome of the "internationalization" of crime, we must be creative in our approach to the problem.

Money laundering is the method by which criminally derived proceeds or instrumentalities are introduced into legitimate commerce, and thus lose the indicia of their true origin. The process of money laundering may be divided into three stages:

- Placement: the physical disposal of bulk cash profits, for example, by smurfed deposits into a bank account of the proceeds of the specified unlawful activity;

- Layering: the piling on of layers of complex financial transactions, for example, wire transfers to separate the proceeds from their illicit source; and

- Integration: the provision of a legitimate appearing explanation for the re-introduction of the proceeds into legitimate commerce.

Money laundering typologies vary from simplistic to sophisticated, depending on the type of activity. Large amounts of money are still laundered by simple methods. For example, from June 1991 to May 1992, $200 million in $700 postal money orders were illegally purchased by "smurfs" in New York City, were sent to Cali, Colombia for endorsement and laundered through stores in Panama's Colon Free Zone.

The Money Laundering Section carries its own litigation caseload and, at the same time, works with the U.S. Attorneys' Offices, as well as the FBI, DEA, IRS, Customs, and the Postal Service to promote innovative, yet uniform, development of the law in money laundering and money laundering-related forfeiture matters.

While continuing to concentrate resources in the narcotics money laundering area, the Section has directed its attention, consistent with the Attorney General's white collar crime priorities, to the financial crime arena, where use of the money laundering statutes is emerging and to other non-narcotic areas. Through the implementation of the Department's Money Laundering Guidelines, the Section monitors proposed prosecutions throughout the country, and provides litigation and policy advice to U.S. Attorney's Offices and investigative agencies. The Section is a source of legal and strategic litigation advice, sample briefs, indictments, pleadings and jury instructions on money laundering matters.

With the knowledge gained from its caseload, along with its review of the national perspective, the Section is in a unique position to coordinate national policy and strategy, to formulate and participate in international initiatives and to guide the development of legislation to ensure that the Department's concerns are raised and addressed in Congress. The Section supports the investigative agencies -- FBI, DEA, IRS, Customs, and the Postal Service -- which participate in money laundering cases, and coordinates multi-district and multi-national money laundering investigations.

The Section, in conjunction with the Attorney General's Advocacy Institute, also sponsors three (two basic and one advanced) training conferences per year on money laundering and related issues. During FY93, the Section trained some

360 Assistant U.S. Attorneys and agency personnel, and provided training to the investigative agencies and the international community. The Section trains at FBI in-services, as well as participates at outside bar association and banking association conferences at which we discuss Department policies.

The Section has published the Money Laundering Federal Prosecution Manual, which it continues to update, a quarterly newsletter which is distributed to law enforcement nationwide, Money Laundering Directory of government experts, as well as an August 1993 compilation of money laundering statutes and related materials. In December 1993, the Section sent three white collar money laundering monographs, covering the laundering of the proceeds of bankruptcy fraud, insurance fraud and health care fraud to the printer for publication.

Accomplishments:

Organized Crime and Racketeering Section

Since the beginning of FY 1993, the program supervised by OCRS Has continued to achieve outstanding successes against traditional organized crime (La Cosa Nostra or LCN), as well as Italian-based crime groups and Asian crime groups operating in the United States. For example, the Newark Strike Force convicted Genovese family acting underboss Salvatore Lombardi, who was sentenced to almost 22 years in prison. The Strike Forces also convicted Colombo family acting boss Victor Orena, along with capos Pasquale Amato and Michael Sessa, all of whom were sentenced to life in prison; Joseph Corrao, a captain in the Gambino family; and Lucchese family acting boss Anthony Baratta. They obtained indictments against Lucchese family underboss Anthony Casso, Genovese family boss Vincent Gigante, Gambino family acting boss James Failla, Bonanno family acting boss Salvatore Vitale, and Detroit LCN street boss Vito Giacalone. In addition, the Strike Force Units have convicted or indicted numerous other capos, consiglieres, hitmen, and other major targets. Several other major indictments are expected in FY 1994 and thereafter. However, although we have made major inroads against the mob over the past several years, the major families continue to "make" new members every year, at a rate faster than we can prosecute them with our current resources. We need to maintain the pressure that we have established, in order to prevent a resurgence of the LCN's former stranglehold on whole industries, such as the construction industry in New York City. We also need to increase the pressure on Italian-based groups, which are operating in increasing numbers in major cities as well as less-populated areas, dealing mostly in large-scale narcotics importation and money laundering. OCRS currently is coordinating a major project designed to identify and prosecute the principal representatives in this country of the three major Italian crime groups, the Sicilian Mafia, the Camorra, and the 'Ndranghetta. In April 1993, the Tampa Strike Force Unit obtained RICO indictments against 25 individuals identified as members or associates of these groups.

With respect to Asian crime groups, the second priority area of the Department's organized crime program, the Strike Forces have obtained convictions of members of the 14K Triad Chinese organized crime group in Los Angeles, and have prosecuted members of the Wo Hop To Triad in San Francisco. A major case against a Japanese subject charged with money laundering is pending in Las Vegas. The Strike Forces have several major Asian organized crime investigations in progress. In addition, OCRS is coordinating national efforts to target particular problem areas, such as large-scale

smuggling of illegal aliens by Chinese organized crime groups, through measures such as the establishment of task forces, the publication of monographs, and the proposing of new legislation. Organized crime prosecutors in the Southern District of New York obtained an indictment charging 18 defendants comprising the leadership of the Fuk Ching Gang, a violent Chinese gang that was heavily involved in smuggling illegal aliens into the United States, charging fees of approximately $30,000 per alien and engaging in extortion and other acts of violence to collect the smuggling fees.

Also in FY 1993, OCRS, through its Litigation Unit, directly handled numerous investigations and prosecutions. The Section obtained numerous convictions in a series of major narcotics cases in Philadelphia and New Orleans, among others, and is conducting major investigations in several districts, most notably a civil RICO investigation of national scope against organized crime members and others who infiltrated an international union. That case is expected to be brought in FY 1994. It should be noted that the Litigation Unit has continued to expand its activities despite the inability to hire up to its full strength of 20 attorneys as mandated by the Attorney General's order merging the Strike Forces; as of January 1994 the unit had 12 attorneys.

Since the President's Commission on Organized Crime issued its report on labor-management racketeering in March 1986 and recommended greater use of civil RICO, 14 such lawsuits have been brought by the Department of Justice which seek to remove La Cosa Nostra-corrupted parties to labor-management relations. Continuing the Section's successful supervision of the civil RICO program, in ten of those lawsuits, trustees or monitors have been installed to supervise elections of new labor union officers and to oversee the affairs of labor organizations, including the International Brotherhood of Teamsters, the largest labor union in North America. Headquarters and Washington Staff personnel regularly confer with the court-appointed Investigations Officer concerning continuing efforts to remove the influence of organized criminal elements from the Teamsters Union.

Narcotic and Dangerous Drug Section

The Litigation Unit is responsible for providing direct litigation support to United States Attorneys (USAs) throughout the country. On request, trial attorneys from NDDS are assigned investigations or pending cases and assume either shared or sole responsibility for the designated litigation. This includes cases from which the United States Attorney's Office (USAO) has recused itself. In selecting how best to use the Section's litigation resources, emphasis is given to supporting the OCDETF and HIDTA programs and other multi-agency initiatives. Related to the direct support of litigation is the Section's centralized coordinating role in large scale multi-district, multi-agency investigations. In this capacity, the Section ensures that critical litigation decisions are made on a collective basis and that all strategic and tactical interests are reconciled and coordinated. Recent examples of this function are the successful coordination of Operation Polar Cap and several on-going task force or liaison efforts. The Section has also identified several specialized areas of drug prosecution - including anabolic steroids, drug paraphernalia, and precursor and essential chemical cases - in which Litigation Unit attorneys serve as a strategic reserve. These trial attorneys maintain a concentrated depth of knowledge and expertise in these areas and their availability to the field is designed to increase the number and effectiveness of prosecutions in these emerging areas of the law.

During the past year, NDDS continued to participate aggressively in drug-related litigation throughout the country. One standout example is United States v. Saccoccia, a case tried in the Central District of California involving one of the largest money laundering operations ever to be identified in the United States. The Saccoccia Organization is alleged to have laundered over $135 million in illicit drug trafficking proceeds during a 2 1/2 year period. This three month trial resulted in the conviction of three defendants. The lead defendant in early 1994. Litigation Unit attorneys also participated in the trial of a case in the Southern District of Texas, in which 11 defendants were charged with smuggling tens of thousands of kilograms of cocaine during an eight year period. This case, United States v. Posada-Rios, was the culmination of a two year investigation. This six month trial resulted in the conviction of all defendants on all counts. Simultaneously, and in the same District, Litigation Unit attorneys supported another multi-defendant, multi-count prosecution involving a large scale marijuana and cocaine smuggling organization that operated in South Texas. This two week trial resulted in the conviction of all defendants on all counts. The lead defendant in this case -- United States v. Guerra -- received a mandatory life sentence. Finally, as an example of the diversity of our case load, the Section prosecuted a "gang" case in Omaha, Nebraska. In United States v. Johnny Ray Butler, et al., the government convicted eight defendants who had been charged with a variety of drug and money laundering offenses, including CCE, all stemming from a wholesale crack distribution network operated primarily in Omaha. The U.S. Attorney for the District of Nebraska had requested support in the investigation and prosecution of gang-related drug trafficking activity in his district. Over the last several years, Los Angeles-based gangs ("Bloods" and "Crips") have invaded Omaha and the surrounding area, bringing to Nebraska the kind of criminal activity ordinarily associated with major urban areas. To deal with this complex problem, the United States Attorney formed a task force of federal, state, and local agents and prosecutors. NDDS responded to the U.S. Attorney's request for assistance by sending two trial attorneys to review the investigative case files and prepare the most significant cases for indictment and trial. The Butler case was indicted and tried by an NDDS trial attorney as part of this effort. Two of the lead defendants were sentenced to life terms--the first such sentences ever imposed by the District of Nebraska judge. A second gang case was indicted and tried by a second NDDS trial attorney. This case resulted in the conviction of eight defendants.

The Policy Unit, along with the litigation trial attorneys as available, responds on a daily basis to questions and inquiries relating to substantive, procedural and policy matters. This function primarily serves the United States Attorneys and their assistants. In addition, the Policy Unit provides its assessment and opinion of the significance of the narcotics-related activities in electronic surveillance, witness immunity, and witness protection program requests made by the U.S. Attorneys' Offices. The Policy Unit also participates in the Department's Sentencing Guidelines Committee, providing in-depth analyses to the U.S. Sentencing Commission on proposed amendments to the guidelines. Attorneys assigned to the Policy Unit review and offer the first level evaluation and recommendation of U.S. Attorney requests for authorization of the Attorney General to seek the death penalty in controlled substances-related homicide cases, pursuant to 21 U.S.C. § 848(e). The Section presented a two-day seminar on the federal prosecution of death penalty cases. Presenters included attorneys from the Office of the Solicitor General and Criminal Division, and Assistant U.S. Attorneys who had tried death penalty cases. Attendees included Criminal Division attorneys, AUSAs from offices that have tried death penalty cases and from offices with authorized death penalty cases pending or anticipated. The Policy Unit attorneys have compiled resource materials to aid federal prosecutors in the trial of these cases. Policy Unit attorneys provide support to and also serve as the points of contact for the Department in certain major

prosecutions in the Districts, including United States v. Manuel Antonio Noriega (S.D. Fla.) and United States v. Alvarez-Machain and Zuno-Arce (C.D. Cal.). The Policy Unit publishes a variety of monographs and handbooks to aid state, local and federal prosecutors and law enforcement agencies. Recent publications and those in progress include: monographs on drug paraphernalia prosecutions; diversion of controlled substances by medical and pharmacy professionals; Controlled Substances and Chemical Diversion Trafficking Acts; the Continuing Criminal Enterprise statute and the narcotics-related death penalty provisions.

Attorneys assigned to the Policy Unit prepared a "Manual for Compliance with the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances," that has been distributed to all U.S. missions abroad. The Manual gives an overview of the Articles of the Convention, outlines the elements and rationales underlying conforming legislation and offers model legislation. NDDS receives frequent requests for the Manual, as well as requests for guidance to assist foreign governments in drafting and enacting legislation and regulations to implement the major substantive portions of the United Nations Convention (1988 U.N. Vienna Convention).

Attorneys and the senior policy analyst assigned to the Drug Intelligence Unit serve as the contact point when information gathering efforts of the intelligence community overlap with domestic investigations and prosecutions. Personnel assigned to the Unit, along with a Section attorney assigned to the U.S. Embassy, Bogota, also represent the Division and Department in the implementation of the cooperative evidence sharing arrangements between the United States and the Republic of Colombia to facilitate the effective investigation and prosecution of major Colombian traffickers in Colombia. To date, comprehensive evidence packages have been assembled and transmitted to special narcotics prosecutors in Colombia in approximately 50 separate cases, and Colombian prosecutors have deposed witnesses in the United States, coordinated by the Unit, on several occasions. In May 1993, NDDS presented a comprehensive week-long U.S./Colombia Prosecutors Training Seminar to approximately 15 Colombian narcotics prosecutors whose responsibilities include the investigation and prosecution of the leaders of the Medellin and Cali Cocaine Cartels. The Seminar included a comparative law segment, as well as a detailed analysis and explanation of actual evidence packages pertaining to the cases for which the Colombian prosecutors are responsible in order to acquaint them with the basic principles of U.S. evidence and procedure and to provide them with an appreciation of the significant probative value of the evidence that was being provided to them.

Money Laundering Section

Litigation:

At present, four of the ten line attorneys in the Money Laundering Section (MLS) are either fully or largely committed to investigations and/or prosecutions. During the past year, the Section has:

- Reviewed 422 indictments and forfeiture complaints, in FY 93, submitted pursuant to the Department's money laundering guidelines, and participated in 864 money laundering-related advisory matters.

- Continued its participation with law enforcement agencies concerning several major multi-district and international undercover operations. Investigation in such operations frequently involves several U.S. Attorneys' Offices and law enforcement agencies. The Section works with the agencies and the U.S. Attorneys' Offices, as well as other Criminal Division components, to facilitate coordination and to provide the mechanism which addresses the needs and priorities of the agencies and offices. In addition, the Money Laundering Section is serving in an advisory capacity during the course of these complex money laundering investigations.

- Participated in the return of an indictment and prosecution of Operation Drachma (D. Conn.), May 20, 1993. Thirteen defendants were charged, including Szion Abenhaim, a Colombian money broker from Cali, arrested in Paris; Adi Tal and David Vanounou, Israeli citizens who are alleged to have run the operation from Israel; and many operatives (mostly of Israeli origin) in the U.S. who pleaded guilty to picking up drug money in NYC and delivering it to FBI sting operation in Connecticut for wire transfer. All non-fugitive defendants pleaded guilty, in the Fall of 1993.

- Continued its investigation of alleged money laundering by criminal defense attorneys in the District of Massachusetts. The Deputy Chief for Litigation is participating in an investigation in Boston relating to the transfer, through Europe and ultimately to the United States, of large quantities of drug proceeds, by criminal defense attorneys, on behalf of a client who was imprisoned in Portugal, pending extradition to the United States to face drug prosecution. The attorneys claim that the European funds were used for attorneys' fees and bail, however, there are allegations that the origins of the fees and bail were paper bags full of currency, supplied by related drug dealers in the United States.

- Opened two additional investigations relating to the payment of attorneys' fees, following recusals by two U.S. Attorney's Offices. In the Northern District of California, it is alleged that criminal defense attorneys designed their fee payments to arrive in currency in amounts of $10,000, and then passed back $20 to the client in order to avoid filing 8300s. It is also alleged that they hid money in their trust accounts to avoid seizure from the client's safe deposit boxes. In the District of Massachusetts, it is alleged that attorneys received a total of at least $250,000 in fee payments, in small currency, from clients under investigation (their house had been searched) in a drug case.

- Continued its participation in the prosecutions arising out of Operation Green Ice. In September 1992, a total of 111 persons were arrested in a series of raids in New York, Miami, Chicago, Los Angeles and San Diego, as well as parallel raids in Italy, Canada and the United Kingdom, as part of the coordinated multi-agency takedown of several undercover money laundering operations. More than 120 persons were charged in a series of indictments and criminal complaints brought around the country. During the investigation, undercover agents of the DEA, FBI and IRS posed as money launderers willing to transfer drug money generated in the United States and Europe back to Colombia.

In order to assist the Southern District of California with the numerous prosecutions resulting form Operation Green Ice, the Money Laundering Section assigned a Trial Attorney to the trial of two Green Ice cases. In the first case, United States v. Urda, et al., each of the three defendants pleaded guilty on April 9, 1993, to one count of conspiracy to launder drug proceeds (18 U.S.C. § 371) and one count of money laundering (18 U.S.C. § 1956 (A)(1)(B)(i)).

On March 30, 1993, two of the three defendants in the second case, United States v. Nahoe, et al., pleaded guilty to various counts, including conspiracy to distribute cocaine (21 U.S.C. § 846), laundering of drug proceeds (18 U.S.C. § 1956 (a)(1)(B)), and weapons possession (18 U.S.C. § 922(g)). On April 9, 1993, the third defendant pleaded guilty to mortgage fraud, for funnelling narcotics profits into the purchase of a residence.

- Provided assistance in the first prosecution of a bank for money laundering authorized under the Money Laundering Guidelines issued on October 1, 1992. Banque Leu (Luxembourg) S.A., a Luxembourg-based bank, pleaded guilty, on December 17, 1993, to one count of money laundering and agreed to the forfeiture of $2.3 million in the Northern District of California. The prosecution was based on the actions of a former employee of the bank, who, between February 1989 and February 1990, participated in a scheme to facilitate the deposit and processing of more than 400 U.S. cashier's checks totalling approximately $2.3 million. The funds, derived from drug trafficking in the United States, were used to purchase cashier's checks in California, which were sent to Colombia, and ultimately sent to Luxembourg for deposit in Bank Leu accounts.

- Continued its investigation and prosecution of military sales program diversion in the case of United States v. General Electric Company. In July 1992, General Electric Company (GE), a major Department of Defense contractor, pleaded guilty, in the Southern District of Ohio, to charges that millions of dollars were diverted from the foreign military sales program and laundered through Europe, and agreed to pay $69 million in criminal and civil fines and penalties. This investigation began in late 1990, concerning contracts relating to the Israeli Air Force F-16 program with the GE Aircraft Engines Division. The case is the largest fraud involving contracts funded by the U.S. Foreign Military Sales Program and the plea marks the first time that money laundering laws have been used in connection with fraud by a military contractor.

On May 12, 1993, Gary S. Klein pleaded guilty to an Information charging one count of conspiracy (18 U.S.C. § 371) to violate 18 U.S.C. § 1957 (money laundering) and 18 U.S.C. § 1343 (wire fraud), in the Southern District of Ohio. Klein admitted to participating in a conspiracy whereby funds were diverted European bank accounts for the personal benefit of Israeli former Brigadier General Rami Dotan and a former General Electric executive who was a longstanding friend of Klein's. According to the Information, Klein was the sole owner of GSK Management Consultants, Inc., ("GSK"), a New Jersey corporation which he operated out of his home. The General Electric executive arranged to have GSK selected as a middleman

between General Electric and Israeli subcontractors in funding a flight test program for a new jet aircraft engine that General Electric sold to Israel for the IAF. Klein transferred approximately $7,425,000 of the funds paid to GSK to European bank accounts. Substantially all of these funds were then transferred -- with the assistance of others -- through a series of intermediary bank accounts and transactions, to accounts in Switzerland controlled by Dotan and the General Electric executive.

- Obtained guilty pleas in United States v. Anthony J. Gurino, et al.: In February 1993, a Money Laundering Section Trial Attorney handled the guilty plea, on the eve of trial, of Anthony J. Gurino, an associate of John Gotti, indicted in the Northern District of Florida, Gainesville Division, on 21 counts of money laundering and conspiracy to commit money laundering. Indicted with Mr. Gurino were his wife, Barbara Ann Pace Gurino, his son, Louis Gurino, and three of his business associates, Vincent Sorena, Patrick Borello, and August Aufiero. They were charged with creating several companies which acted as a front for Mr. Gurino to fraudulently obtain construction contracts for the New York City Housing Authority, and funnelling approximately $1 million gained from these contracts into Lou-Roe Farms, a thoroughbred breeding farm.

  Anthony Gurino and Barbara Pace Gurino pleaded guilty in the Northern District of Florida on February 19, 1993. Anthony requested that he be allowed to withdraw his plea as involuntary and the result of ineffective assistance of counsel. That motion was denied and Anthony was sentenced to 97 months imprisonment and ordered to forfeit the farm, valued at $1.2 million. The three associates have pleaded guilty to mail fraud, in the Eastern District of New York.

Program and Policy:

- Initiated the expansion of information recorded and maintained in connection with funds transfer orders by 27,435 federally regulated financial institutions. The Money Laundering Section was successful in its request that the Federal Financial Institutions Examinations Council (FFIEC), issue a policy statement that detailed originator and beneficiary information be included in funds transfer orders. The FFIEC is the governing body of the five federal financial supervisory agencies (Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve, the Office of Thrift Supervision and the National Credit Union Administration), which collectively supervise 27,435 federally regulated financial institutions in the United States.

- Significantly participated in the creation of proposed regulations by the Department of the Treasury and the Federal Reserve which, if enacted, will effect a major change in the Bank Secrecy Act. The proposed regulations would mandate that domestic financial institutions maintain certain wire transfer information, including originator and beneficiary name and account information, in their records. In addition, the Money Laundering Section significantly participated in drafting Treasury's proposed regulations mandating that certain wire transfer information travel with the wire transfer throughout all stages of the

transfer. This is of special importance to law enforcement, as it gives us wire transfer content information at all stages of the wire transfer.

- Developed, with the Federal Reserve, a program by which federal prosecutors can access electronically stored data in the Fedwire system (the funds transfer system for the Federal Reserve). The Money Laundering Section has drafted a memorandum to all U.S. Attorneys, still under consideration by the Assistant Attorney General, describing new automated scanning process available for Fedwire wire transfer traffic occurring through Federal Reserve Banks, discussing the legal requirements for access and analyzing suggested approach to be taken to obtain this data.

- Drafted revisions to Title II of the Electronic Communication Privacy Act of 1986 (ECPA), the statute that provides for governmental access to stored electronic communications. These communications play an integral part in effecting funds transfers which have been determined by law enforcement to be the a principal method by which money is laundered. The Section's proposed amendments to ECPA apply only in the context of federal money laundering investigations, conducted exclusively under 18 U.S.C. §§ 1956, 1957.

- Principally prepared the Department's testimony for the first significant Congressional hearing on money laundering since enactment of the statutes in 1986. The 52-page Department of Justice response to the House Committee on Banking, Finance and Urban Affairs, in preparation of the May 25-26 hearing on the United States efforts to combat money laundering, resulted in no criticism of the Department and a request by Congress for identification of areas in which Congress can provide further assistance to law enforcement. The Section prepared the Criminal Division's testimony, briefing books and anticipated questions and answers for the May 25 testimony of Deputy Assistant Attorney General Mark Richard.

- Prepared materials for, and appeared before, the U.S. Sentencing Commission, whose staff had proposed in the 1993 amendment cycle (and has re-submitted for consideration in the 1994 amendment cycle) severely reducing the sentencing guidelines for 18 U.S.C. §§ 1956, 1957 money laundering offenses. The Money Laundering Section, along with the Division's Office of Legislative Affairs, vigorously opposes the proposal. The Commission failed to garner sufficient votes, in 1993, to recommend the Staff proposal, thus retaining, for now, the sentencing structure for these money laundering statutes.

- Prepared, submitted for approval, and obtained approval for a new Department of Justice money laundering guideline, requiring a United States Attorney or Criminal Division component consultation with the Money Laundering Section prior to seeking an indictment for money laundering conduct consisting solely of the deposit of criminally derived proceeds into the clearly identifiable bank account of the perpetrator of the underlying predicate offense. Additional guidelines are pending.

- Prepared and sent to the field, through the above guideline, a notification requirement for reporting convictions of financial institutions, officers, directors and employees, in order to comply with

provisions of the Annunzio-Wylie Act, which require that the Attorney General report such convictions to the appropriate regulatory agency. Such notifications will be processed by the Money Laundering Section.

- Approved the first prosecution of an attorney for money laundering under the Department's guidelines.

- Worked with Deputy Assistant Attorney General Mary Lee Warren, and in conjunction with the Narcotic and Dangerous Drug Section, to improve coordination among the law enforcement agencies in the area of undercover money laundering investigations. In recent months, the Section has been participating in a comprehensive review of undercover money laundering operations, and procedures and regulations which govern such operations, of the federal law enforcement agencies (primarily FBI, DEA and the Customs Service).

- Concluded lengthy negotiations, with the participation of the Office of International Affairs, to establish with the United Kingdom a joint white collar crime investigation team. In November 1993, representatives of the Department of Justice and the British government signed a Memorandum of Understanding with respect to the establishment of a joint Task Force, which will operate out of Miami, to investigate financial crimes, including money laundering, which affect the United States, the United Kingdom and British Dependent Territories in the Caribbean. The Section Chief sits on the steering committee, which will meet quarterly.

- Successfully completed the Section's role in FATF-IV (September 1992-June 1993), and began our participation in FATF-V. Section Chief serves as the U.S. representative to Working Group I (Legal), and sits on the wire transfer subgroup of Working Group II (Financial Matters). This round of FATF was very successful for the United States, and included the following: mutual evaluations of 8 countries including the United States; significant work on identifying and curbing the international use of shell corporations; continued emphasis on the use of non-bank financial institutions such as casas de cambio and the use of insurance and securities agencies for money laundering; proposals on the international use of controlled deliveries (our stings); further review and description of international money laundering typologies; and continued pressure on the international community to ensure adequate content (originator and beneficiary information) in the domestic and international wire transfer and message systems.

- Participated in the FATF mutual evaluation of the Kingdom of the Netherlands. Examined were the financial reporting system, anti-money laundering efforts in the insurance industry and by banks located in the Netherlands, Netherlands Antilles and Aruba, its drug control policy, the status of the criminalization of money laundering, the kingdom's legislation and policy on money laundering, and its international cooperation.

- Addressed the FATF's Wire Transfer Subgroup, and accompanied by FATF representatives from the Bank of England and the Bank of Italy, travelled to Geneva to address the Society for the Worldwide Interbank

Financial Telecommunication (S.W.I.F.T.) International User Group, on both the FATF and U.S. approach to ensure complete originator and beneficiary information in any and all international wire transfers and messages. This User Group represents over 2000 banks in the 70 countries utilizing S.W.I.F.T.'s funds transfer message system, which is the largest in the world.

- Successfully argued to retain currency reporting provisions in the negotiations being conducted in Geneva with respect to the creation of the European Energy Charter with the former republics of the Soviet Union.

- Led the U.S. delegation to an OAS-sponsored conference in Panama in July 1992 to discuss the use and implementation of model anti-money laundering/asset forfeiture regulations adopted by the OAS. The OAS meeting was attended by representatives from 11 Central and South American nations including Colombia, Ecuador, Venezuela and Mexico. This was the second in a series of regional conferences being sponsored by the OAS to promote implementation of the Model Regulations. The first conference was held in Chile in December 1992. The next conference is scheduled for Mexico City later this year.

- During the past year, we briefed representatives of the following countries on our money laundering program: Panama, Brazil, Nicaragua, Venezuela, Ecuador, Italy, Belgium, Australia, the United Kingdom, Ireland and Indonesia.

- Sponsored and staffed instructional conferences. In FY 1993, the MLS, in conjunction with the Attorney General's Advocacy Institute (AGAI), sponsored and staffed three Money Laundering/Asset Forfeiture Conferences (in San Diego, New Orleans and Minneapolis). We already have sponsored, or will sponsor three conferences in FY 1994, in Albuquerque, Portland and Kansas City.

- Compiled and sent to the publisher three white collar monographs covering the laundering of the proceeds of bankruptcy fraud, insurance fraud and health care fraud.

- Desk top published, copied and distributed approximately 1200 copies of the first and second editions of the Money Laundering Section's quarterly newsletter, the "Monitor." The third edition will be published in December 1993.

- Published a compilation of all federal money laundering statutes, and related materials, in October 1993. Each statute is set forth as amended by the Congress in each amendment cycle, with the changes in each cycle indicated.

- Prepared briefing materials and talking points for Department officials, in preparation for international meetings and conferences, including: 1) the Deputy Attorney General's presentation on money laundering at the United Nations Commission on Crime Prevention and Criminal Justice; 2) the Deputy Attorney General's participation in the EC's TREVI (Terrorism, Revolution, Extortion, Violence International) Group meeting

in Copenhagen and Brussels; and 3) the Attorney General's October 1993 meeting in Mexico with the Mexican Attorney General.

Workload: (Some 1992 actual workload data has been revised since the 1994 Congressional Budget to reflect a more accurate picture of the Criminal Division's workload)

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Organized Crime and Racketeering Section Miscellaneous Items:						
Reviews/Approvals of RICO Prosecutions and Civil Suits	164	175	175	175	...	175
Other Consultations/Approvals/ Legal Advice for U.S. Attorneys	396	245	350	350	...	350
Advice to Others (Agencies, Citizens, etc.)	505	311	425	425	...	425
Congressional Matters:						
Bill Analyses/Reports	29	8	15	15	...	15
Preparation of Testimony	5	1	3	3	...	3
Drafting of Legislation	2	1	2	2	...	2
Responses to Inquiries	22	4	10	10	...	10
Document/Data Compilation (FOIA) and Labor Conviction Tracking)	166	136	150	150	...	150
Preparation of Training Materials	8	2	6	6	...	6
Appellate Briefs	10	6	10	10	...	10
Case Initiation Reports Reviewed	219	200	200	200	...	200
Prosecution Memoranda Reviewed	310	380	380	380	...	380
Other Case-Related Review Functions by Deputy Chiefs	425	451	450	450	(9)	441
Organized Crime & Racketeering Section Matters:						
Pending, beginning of year.....	38	37	41	43		43
Opened.....	12	7	7	7	...	7
Closed.....	13	3	5	7	...	7
Pending, end of year.....	37	41	43	43		43

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Organized Crime & Racketeering Section Cases (lead prosecution):						
Pending, beginning of year.....	22	44	40	40		40
Opened.....	34	18	20	20	...	20
Closed.....	12	22	20	20	...	20
Pending, end of year.....	44	40	40	40		40
Disposition of defendants in Organized Crime & Racketeering Section cases litigated:						
Convictions.....	59	84	75	72	...	71
Acquittals/dismissals.....	14	6	15	14	...	14
Other dispositions (transfers to U.S. Attorneys, deaths).....	9	2	3	3	...	3
Strike Force Matters Reviewed and Approved:						
Pending, beginning of year.....	551	538	612	612		612
Opened.....	207	171	200	200	...	200
Closed.....	220	97	200	200	...	200
Pending, end of year.....	538	612	612	612		612
Strike Force Cases Reviewed and Approved:						
Pending, beginning of year.....	317	416	492	502		502
Opened.....	276	213	210	210	...	210
Closed.....	177	137	200	200	...	200
Pending, end of year.....	416	492	502	512		512
Narcotic and Dangerous Drug Section Investigations:						
Pending, beginning of year.....	72	14	16	21		21
Opened.....	33	37	45	50	...	50
Closed.....	91	35	40	45	...	45
Pending, end of year.....	14	16	21	26		26

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Narcotic and Dangerous Drug Section Cases (sole and shared prosecutions):						
Pending, beginning of year.....	36	39	31	26		26
Opened.....	32	25	35	40	...	40
Closed.....	29	33	40	45	...	45
Pending, end of year.....	39	31	26	31		31
Disposition of defendants in Narcotic and Dangerous Drug Section cases litigated:						
Convictions.....	98	136	NA	NA	...	NA
Acquittals/dismissals.....	14	10	NA	NA	...	NA
Other dispositions (transfers to U.S. Attorneys, deaths).....	0	2	NA	NA	...	NA
Narcotic and Dangerous Drug Section Miscellaneous Items						
Appellate Matters.....	48	45	55	65	...	65
Legal Advisory Matters.....	652	955	1000	1200	...	1200
Review/Approval (Statutory, Regulatory, U.S. Attorneys' Manual).....	102	473	550	700	...	700
Matters Monitored.....	22	19	30	35	...	35
Money Laundering Section Cases						
Pending, beginning of year.....	29	27	22	22		22
Opened.....	37	20	15	15	...	15
Closed.....	39	25	15	15	...	15
Pending, end of year.....	27	22	22	22		22
Money Laundering Guidelines and Matters Handled.....	970	1795	2500	2500	...	2500

The above money laundering statistics demonstrate an additional shift of resources from active prosecution to Guidelines review and anticipate a proposed expansion of the money laundering guidelines, currently under review by the Deputy Attorney General and the Assistant Attorney General. They also demonstrate a shift to coordination of nationally

significant multi-district cases which consume a greater portion of our resources than did cases we accepted in past years. The 1994 and 1995 projections reflect the growth and anticipated growth in Guidelines matters. We have prepared a memorandum for the Assistant Attorney General/Deputy Attorney General on new internal guidelines which, if implemented, would require 2-3 additional attorneys for the Section. Without additional staffing, the Section is unable to project any increase in its litigation caseload.

Estimates by budget activity	1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Matters												
White Collar Crime	243	244	$26,651	240	241	$25,097	233	234	$24,362	(7)	(7)	($735)

The program changes listed above are explained in detail in the Justification of Multi-Activity Program Changes exhibit located on the last page of this narrative.

Long Range Goal: To improve integrity in the Government, reduce the incidence of fraud, enforce exportation and obscenity law, and maximize the use of federal statutes to achieve prolonged incarceration.

Major Objectives:

Public Integrity Section

To oversee the Federal effort to combat corruption through the prosecution of elected and appointed public officials at all levels of government; to handle all matters involving alleged misconduct by Federal judges and other corruption matters in which the United States Attorneys Office is recused; and to conduct initial inquiries and preliminary investigations pursuant to the statutory procedures concerning appointment of independent counsel.

To provide advice and expertise to Department of Justice officials with respect to public corruption issues.

To establish and maintain liaison and effective exchange of information with the federal law enforcement community including the U.S. Attorneys' Offices, FBI, Inspector General offices and other Federal law enforcement personnel. This exchange of information includes training, advice, and consultation on effective investigation and prosecutorial approaches.

To supervise the investigation and prosecution of conflicts of interest and election crimes.

Fraud Section

To conduct major criminal investigations and prosecutions of fraudulent schemes against individuals, institutions and the United States Government.

To assist in the formulation of prosecutorial policies; to identify recurring illegal schemes; and to devise new practices and procedures for minimizing opportunities for criminal conduct.

To develop and enhance local, state, federal and international law enforcement cooperation in preventing fraud schemes.

Child Exploitation and Obscenity Section

To identify the major offenders of child exploitation, child sexual abuse, child prostitution and obscenity statutes, and to prosecute cases of national scope and coordinate prosecutions with U.S. Attorneys' Offices. To properly protect child victims and witnesses.

To educate law enforcement personnel and U.S. Attorneys' Offices on the law, in order to sensitize them of the need to fully enforce federal child exploitation, child sexual abuse, child prostitution and obscenity laws. To educate law enforcement personnel and U.S. Attorneys' Offices on the protection of child victims and witnesses.

To assist the U.S. Attorneys' Office in investigating and prosecuting offenders and to provide attorneys who have the requisite specialization in these sensitive high profile areas of the law.

General Litigation and Legal Advice

To develop and implement enforcement programs in certain key statutory areas where special expertise and/or centralization is required to be effective.

To develop and prosecute significant cases under a vast range of statutes due to recusal, lack of resources or lack of pertinent expertise in U.S. Attorney Offices.

To defend civil suits seeking to enjoin or to interfere with criminal justice activities and national security operations.

To provide support to the U.S. Attorneys in the conduct of all litigation within the program's subject areas.

To coordinate and participate in crime prevention programs, including the encouragement of voluntary involvement by corporations and individuals in the private sector in crime resistance efforts.

To provide legal and policy advice to the Assistant Attorney General, Deputy Attorney General, Associate Attorney General, and Attorney General, as well as other components of the Department, on issues of importance to the Department.

Base Program Description:

Public Integrity Section

The Public Integrity Section has the general responsibility for overseeing the federal effort to combat corruption through the prosecution of elected and appointed public officials at all levels of government. The Section is also responsible for supervising the handling of investigations and prosecutions of election crimes. Our attorneys prosecute selected cases against federal, state, and local officials, and are available as a source of advice and expertise to prosecutors and investigators nationwide. The Section supervises the administration of the Independent Counsel Reauthorization Act. In addition, as a national headquarters office, the Section provides extensive training to federal prosecutors and investigators, and serves as a source of advice and expertise to the policymakers of the Department of Justice with respect to issues that may arise from time to time regarding public corruption investigations and prosecutions.

Fraud Section

The Fraud Section, the largest component in the Criminal Division, directs the federal law enforcement effort against economic crime. The Section is responsible for conducting grand jury investigations and prosecutions in cases that require centralized treatment because of the complexity of the scheme, the multi-district nature of the criminal activity, the sensitivity of the issues, or the necessity for developing model prosecutions to establish the viability of a particular statute, prosecutive theory or technique.

Further, the Section provides on-site litigation support to U.S. Attorneys, when required due to the lack of local resources or expertise. The Section also provides assistance in developing investigative and prosecutorial strategies and in preparing or reviewing motions, briefs or other documents for prosecutors throughout the United States, as resources permit. It also formulates and implements white collar crime policy for the Department through the Economic Crime Council, and coordinates information sharing about white collar crime with state and local law enforcement agencies. The Section also provides specialized training to prosecutors and investigators on effective techniques and procedures for investigating and prosecuting white collar crime cases.

The Section contains four units: Financial Institution and Securities Fraud, Defense Procurement Fraud (DPFU), Government, Business and Consumer Fraud, and Complex Corporate Fraud that carry out the primary function of the Section to investigate and prosecute complex fraudulent schemes. In the area of financial institutions fraud, the Section maintains a Dallas Regional Office, supervises and staffs the New England Bank Fraud Task Force, and is a member of the San Diego Bank Fraud Task Force. As for health care fraud, in September 1993 the President announced the Health Security Act which contains sweeping, unprecedented changes in the government's health care fraud enforcement effort. The Section is the focal point of the implementing the Department's new, broad responsibility for health care enforcement. The Attorney General reallocated FBI foreign counter-intelligence resources to health care fraud law

enforcement and the Section will coordinate and carry out the prosecution effort. In addition, the Attorney General has named a Special Counsel for Health Care Fraud that increases the enforcement agenda. The Section also staffs the Executive Level Health Care Fraud Policy Group and administers and supervises interagency health care fraud enforcement programs. The DPFU is responsible for fraud involving Defense Department contracts and procurement. It investigates allegations of product substitution, defective products, cost mischarging and kickbacks. In conjunction with the Federal Bureau of Investigation the DPFU has reinstituted the Product Substitution Working Group, a multi-agency examination of government wide problems and approaches in providing the government with the value for which it pays. Other areas of special emphasis are fraud in the securities and commodities markets; fraud involving government benefits, contracts and loans; insurance fraud; international white collar criminal activity; and career white collar criminals. A particular area involves telemarketing fraud, which has increased dramatically. It is a method for committing economic crime that transcends several substantive areas, and can be used to commit bank fraud, health care fraud, insurance fraud, and other financial crimes.

Child Exploitation and Obscenity Section

The six major substantive areas within the jurisdiction of the Child Exploitation and Obscenity Section (CEOS) are: child exploitation; child prostitution; child sexual abuse; the protection of child witnesses and victims; obscenity; and special civil matters. Under federal statutes, child exploitation deals with the possession, manufacture, and distribution of child pornography, the unlawful selling and buying of children, as well as criminal and civil child pornography forfeiture. Child prostitution deals with the interstate transportation of children for commercial sexual exploitation purposes. Child sexual abuse deals with rape, aggravated sexual assaults, and sexual abuse of children on federal land or under federal jurisdiction. Special civil matters deal with civil forfeiture actions as well as assisting with the defense of civil suits against the Department. Obscenity deals with the sale of obscene matter on federal property, using the U.S. mail system to disseminate obscene matter, interstate transportation of obscene matter, broadcasting obscene matter, dial-a-porn, engaging in the business of selling obscene matter, criminal obscenity forfeiture, RICO obscenity cases involving enterprises which engage in a pattern of obscenity crimes, and obscenity-based money laundering.

General Litigation and Legal Advice Section

GLLAS is both a litigating and advisory/policy section. The Section prosecutes cases under a wide variety of statutes when a United States Attorney's Office is recused or lacks the resources or pertinent expertise to handle the case. GLLAS also provides legal advice to other components of the Department (including U.S. Attorneys' Offices) and the government concerning the statutes for which the Section is responsible. The Section is responsible for most of the criminal statutes in Title 18 of the U.S. Code, as well as for certain regulatory offenses and civil actions. The Section's work is divided into the following six law enforcement areas:

1) Computer Crime: This is the flagship area of our Section. We are addressing dead-on the burgeoning problem of computer crime, which by its very nature crosses district, state, and national boundaries. The Section has a proactive

initiative in this area and is in the forefront in the Department in coordinating an informed response to this developing area of the law;

2) International Trade Fraud: This area involves a wide range of schemes to evade import quotas, tariffs, and taxes, and includes transshipment (to conceal the actual country of origin of imported goods), undervaluation, and other fraudulent trade practices;

3) Crimes Against the Public: This area involves such subjects as civil unrest/riot, fugitive felons, motor vehicle theft, false identification crimes, interstate transportation of stolen property, the Child Support Recovery Act, and offenses on federal land, Indian reservations or the high seas;

4) Crimes Against Government Operations: This area relates to unlawful electronic surveillance, theft/destruction of government property, counterfeiting, postal depredations, obstruction of justice/Congress, perjury, false personation, and immigration offenses;

5) Regulatory Enforcement: This area involves criminally enforceable regulations promulgated by Agriculture, Commerce, Interior, Labor, State, Transportation, Health and Human Services, and includes such offenses as the mishandling of nuclear material, willful violations of mine/occupational safety standards, trademark/copyright violations, customs crimes, and industrial espionage;

6) Post-Conviction and Penal Matters: This area involves defending habeas corpus and coram nobis petitions, and providing advice in matters concerning sentencing, juveniles, prisoner transfer treaties, detainers, mental competence, and prison offenses; and

7) Particular Civil Cases: This area includes the defense of injunctive suits brought against the government for actions relating to criminal investigations and prosecutions or national security matters.

Accomplishments:

Public Integrity Section

Conviction of Former Congressman Albert G. Bustamante. On July 21, 1993, a jury convicted former Congressman Albert G. Bustamante of RICO and accepting an illegal gratuity. Bustamante's conviction was based on a $35,000 payment made to him in exchange for his attempts to win a lucrative Air Force contract for a company headed by a San Antonio businessman. Bustamante was also convicted of accepting a lucrative investment opportunity at virtually no cost or risk from a prominent San Antonio attorney who was seeking to curry favor with him. On October 1, 1993, Bustamante was sentenced to 42 months in prison, two years of supervised release and a $55,000 fine. The investigation and prosecution was handled by the Public Integrity Section.

Operation "Byte". Seven defendants have been convicted of felony charges ranging from bribery to computer fraud in connection with a long-term investigation of a scheme to manipulate the INS computer system in order to obtain Lawful Permanent Resident status for illegal aliens. Three other defendants in this matter are presently under indictment. The investigation and prosecutions are being handled by the Public Integrity Section. Future charges are expected.

Resignation of Judge Robert F. Collins. On July 28, 1993 United States District Judge Robert F. Collins wrote a letter of resignation to the President in which he formally resigned from the bench. Judge Collins is the first convicted Federal Judge to resign from the bench, saving Congress the lengthy and burdensome impeachment process required to remove him. Collins had been convicted of conspiracy, bribery and obstruction of justice in a case handled by the Public Integrity Section.

Operation "Boptrot". Fourteen convictions have been obtained in connection with Operation Boptrot, a long term investigation of corruption in the Kentucky Legislature. Most recently, former Speaker of the House Donald Blandford was convicted by a jury of extortion, RICO and false statements. He was sentenced to 64 months' imprisonment and fined $10,000. The investigation and prosecutions were handled by the Public Integrity Section and the United States Attorneys' Offices for the Eastern and Western Districts of Kentucky.

Conviction of Former Congressional Administrative Assistant. On November 23, 1993, Jeremiah Bresnahan, former Administrative Assistant to Congressman Glenn M. Anderson, pled guilty to felony theft of government property and services. Bresnahan admitted that he travelled to California to campaign for Congressman Anderson's stepson, Evan Anderson Braude, while claiming to be on official business. Bresnahan also admitted that he relayed instructions to other employees on Congressman Anderson's Washington, D.C. staff to campaign for Braude at the Government's expense, and to make it appear that the congressional employees were each conducting official business. The investigation is being handled by the Public Integrity Section.

Conviction of Former Justice Department Attorney. On November 22, 1993, Theodore Forman, a former Justice Department Tax Division trial attorney, was convicted by a federal jury in the Eastern District of Michigan of criminal contempt for unlawfully disclosing grand jury information to the subject of an organized crime investigation. This prosecution was handled by the Public Integrity Section and the United States Attorney for the Eastern District of Michigan.

Independent Counsel Reauthorization Act. In November 1992, the Senate passed S.24, the Independent Counsel Reauthorization Act of 1993. The Public Integrity Section drafted written testimony for the Attorney General which she delivered on May 14, 1993 before the Senate Committee on Governmental Affairs in support of reauthorization of the Independent Counsel provisions, with particular attention paid to substantive amendments offered by the Department that will improve the operation of the Act and streamline its implementation. We expect the Act to be passed by the House and signed into law in early 1994.

Fraud Section

- **Health Care Fraud:** The February 3, 1992 Report to the Attorney General on the Enhanced Health Care Fraud Initiative restated the scope of the problem: $200 billion in Federal expenditures and $738 billion in overall expenditures, with a General Accounting Office estimate of $50 billion of fraud and abuse. From FY 1991 to FY 1992, indictments in FBI health care fraud cases increased five-fold. The Fraud Section has received no increase in resources for health care fraud enforcement, yet is called on with increasing frequency to coordinate multi-district efforts and to handle investigations of corporate health care providers. In September 1993 the President announced the Health Security Act that contains sweeping changes in health care fraud enforcement. The redesign of the system will require an analysis of the fraud vulnerabilities of the new system and creation of a law enforcement plan to deal with the new fraud schemes which will surface.

- **Financial Institution Fraud:** The Department continues to wage a vigorous campaign against those who have defrauded federally insured financial institutions. The Special Counsel for Financial Institutions Fraud (FIF) coordinates the national effort, with the Section providing staff support. In major savings and loan matters for the period October 1, 1988 through June 30, 1993, the Department reported 954 indictments and informations charging 1527 defendants with violations involving losses of $9 billion. The conviction rate is 93%; 75% of those convicted have gone to prison, some for as long as 40 years. The Dallas Bank Fraud Task Force has charged 260 defendants and secured 211 convictions since its inception in 1987 through January 4, 1994. Since 1989, it has seized over $6.3 million in assets. Courts have ordered fines and restitution in excess of $116 million. (Unfortunately, most of these monies are not recoverable). In May 1991, the Department established a similar task force in New England the Section supervises and staffs. As of January 4, 1994 it has obtained 41 convictions from the 56 defendants charged. Another bank fraud task force the Section joined in staffing was established in San Diego by the United States Attorney in May 1992. As of January 4, 1994 it has brought charges against 14 defendants and seven convictions have been obtained. The Section also supports United States Attorneys by providing trial attorney support and supervision of litigation.

- **Defense Procurement Fraud:** Thirty of the 100 largest Department of Defense (DOD) contractors have been convicted of procurement fraud in the last seven years, some more than once. These convictions were for cases involving product substitution, false testing, bribery and kickbacks, false claims and false statements, cost mischarging, and defective pricing. In the four and one-half year period ending March 31, 1993, there were 3,190 indictments, 2,658 convictions and 518 civil settlements, resulting in the payment of $313.7 million in criminal fines, $221.3 million in restitution and another $553.9 million in civil settlements.[1]

The DPFU participation in the DOD Voluntary Disclosure Program has grown, and is continuing to grow. As of

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[1]Statistics are provided by the Department of Defense Inspector General.

July 1, 1993, over $150 million has been recovered by the DOD under the Program. The total fines and civil settlements achieved by the DPFU in FY 1993 were $1.1 million. During FY 1993, the DPFU obtained convictions of three companies and six individuals in two separate cases.

- **Telemarketing:** Telemarketing is a special emphasis area for purposes of economic crime enforcement. It is a method for committing economic crime that transcends several substantive areas: bank fraud, health care fraud, insurance fraud, and other financial crimes. An interagency working group has been formed in order to formulate the most efficient approach to this law enforcement problem.

  On March 4, 1993, criminal charges were filed against 34 defendants, 31 arrests were made and eight search warrants were executed in ten cases being handled by the Section in the District of Utah. In addition, the Section is handling two more cases in the Eastern District of Texas involving four defendants. Sixteen convictions have been obtained. These cases are part of "Operation Disconnect," which the Department has called "the most significant investigative initiative undertaken to date to counter illegal telemarketing operations." It is the first FBI undercover operation of its kind directed against telemarketing fraud. The three-year investigation identified 548 individuals involved in 123 illegal telemarketing operations across the United States. Some 800 FBI agents from 18 separate FBI offices have executed over 200 arrest warrants and approximately 60 search warrants nationwide since March 4, 1993. More than 300 individuals have been charged and 121 convicted. Sentences have ranged as high as ten years in prison.

- **Insurance Fraud:** Congressional and media reports show that insurance company insolvencies have jumped and that two-thirds of the insolvencies were the result of fraud. Insurers in the United States have assets of $1.75 trillion and are largely under-regulated. The Economic Crime Council established insurance fraud as a special emphasis area for enforcement. The Department has formed an Insurance Fraud Working Group to develop private sector and state cooperation, establish a better approach to the criminal cases, and create training programs.

- **Complex Corporate Fraud:** This unit is responsible for the investigation and prosecution of complex international bribery and fraud matters. In one ongoing series of investigations and prosecutions arising from the diversion of U.S. military assistance, three cases have been prosecuted in which fines and civil restitution have been imposed and collected in the aggregate amount of $102.5 million. Additional related investigations are being pursued and another indictment is expected in the near future.

- **Training:** The Fraud Section actively engages in coordination and training against white collar crimes. Through a variety of working groups and similar organizations, the Section gathers information to assist the Department in implementing economic crime policy. These working groups cover fraud dealing with financial institutions, telemarketing, health care, securities and insurance. Training Assistant U.S. Attorneys and federal law enforcement agents in the intricacies of the field is an important part of carrying out the Attorney General's priorities. This is done through the Economic Crime Council Enforcement Conferences, the

working groups noted above, the Attorney General's Advocacy Institute, the Federal Law Enforcement Training Center, and by the law enforcement agencies for which the Section provides instructors.

Child Exploitation and Obscenity Section

An important accomplishment under the reorganization of the Criminal Division in late 1991 was the transfer of supervisory responsibility over several statutes dealing with child sexual exploitation and abuse to the Child Exploitation and Obscenity Section (CEOS) in addition to the statutes on child pornography that the Section was already supervising. Under the reorganization, Chapters 223, 18 U.S.C. 3509 (Witnesses); Chapter 117, 18 U.S.C. 2423 (Transportation of Minors for Illegal Sexual Activity); Chapter 109A, 18 U.S.C. 2241 (Sexual Abuse and Aggravated Sexual Abuse of Children Under 12) and 18 U.S.C. 2243 (Sexual Abuse of a Minor) were transferred to the Child Exploitation and Obscenity Section.

The Child Exploitation and Obscenity Section continues to obtain important convictions in the area of child exploitation. In October 1992, a jury convicted Larry L. Bateman of Exeter in New Hampshire of shipping and possessing child pornography. Bateman, a 51 year old teacher at Phillips Exeter Academy, was sentenced to five (5) years in prison. In July 1992, the Section and the Postal Inspection Service, as a result of the search of a mail-order dealer in both child pornography and adult obscenity prepared search-arrest warrants that have been issued across the country by Postal Inspectors for identified consumers of child pornography. Over 35 searches and several convictions have been made. Several thousand pieces of child pornography have been seized so far, along with many audio-visual and computer machines and a few vehicles. The Child Exploitation and Obscenity Section recently coordinated with U.S. Customs a nationwide investigation into the importation of international distribution of child pornography in the United States by use of computers. In March 1993, the investigation resulted in the execution of 31 search warrants in 15 states and 30 cities. Six cases have been indicted to date and 3 convictions have been obtained.

One of the areas in which the Section has become increasingly active over the past two years is the prosecution of federal child sexual abuse cases, which primarily involves cases originating on Indian lands, military bases, government installations and other federal lands. Since receiving supervisory jurisdiction of Chapter 109A offenses against children in 1991, the Section has been particularly active in working with United States Attorneys and federal investigative agencies to increase the number of federal child sexual abuse cases prosecuted and to ensure responsiveness to child victims. The Section secured several important child sexual abuse convictions this past year, notably in United States v. Frederick Yazzie in the District of Arizona, the defendant was convicted of aggravated sexual abuse of a minor in Indian Country following a jury trial and sentenced to 364 months in prison. Numerous other convictions have been obtained in cases prosecuted or assisted by CEOS attorneys. The Section has also provided a host of other services to federal investigators and prosecuters, including training, consultation, and litigation support services. CEOS also organized an inter-agency operational meeting directed at enhancing the overall federal response to child sexual abuse in Indian Country.

Since the Section's inception in 1987, it has obtained 124 obscenity convictions involving more than $24 million in fines and forfeitures for the Government. This figure does not include the value of 12 businesses forfeited to the Government in April 1992 by Reuben Sturman, who pleaded guilty to RICO and Obscenity charges in Las Vegas, NV. The continuing

investigation into the Los Angeles-based producers and national distributors of hard-core videos and magazines has resulted in 37 searches by the Federal Bureau of Investigation (FBI) and the Los Angeles Police Department shows a supply network from coast to coast that involves most of the country's obscenity outlets. Thus far, the investigation has led to 20 convictions, with other cases awaiting prosecutive action. In April 1992, Multi-Media Distribution Company, Inc., of Los Angeles, California and Merriville, Indiana, pleaded guilty to federal obscenity charges and forfeited $3.5 million to the government. It is the largest forfeiture pursuant to an obscenity plea in the history of the United States.

General Litigation and Legal Advice Section

Computer Crime Initiative. Following the adoption of the computer crime initiative by the Attorney General's Economic Crime Council in February 1991, a Computer Crime Unit was established in the Section and was staffed with attorneys having both technical expertise and prosecutorial backgrounds. Working closely with the United States Attorney Offices, the FBI, the Secret Service, and other government agencies, the Unit has successfully implemented a nationwide strategy designed to 1) deal with the rising incidents of computer crime, 2) supply technical and legal expertise to U.S. Attorneys' Offices, 3) litigate cases that, due to their multi-district nature or legal importance, warrant our participation, 4) propose legislative changes to remedy defects in existing legislation, 5) develop training programs to educate attorneys working in the computer crime area, and 6) develop an international response to the problem of computer crime, working with the Office of International Affairs and the State Department. Section attorneys, working with the United States Attorney's Office for the Southern District of New York, convicted seven computer hackers calling themselves the Masters of Deception who penetrated computer systems belonging to credit reporting agencies, universities and voice data carriers. The hackers intercepted data transmissions, crashed at least one computer system and altered customer phone service without authority. This case involved the first successful court-authorized wiretap of data transmissions.

In the year ahead, the Unit envisions that the major goals to be accomplished include (1) convening an international convention on computer crime; (2) increasing the number of prosecutions under 18 U.S.C. § 1030 (The Computer Fraud and Abuse Act) by initiating and coordinating cases of national interest and expanding the amount of training and publications available to assist agents and prosecutors in the development of these and other computer crime cases; (3) amending the existing sentencing guidelines which currently fail to adequately consider privacy and data integrity issues when sentence is imposed; and (4) preserving law enforcement's ability to investigate criminal cases as new technologies are deployed in the telecommunications arena (e.g., digital telephony and encryption.)

International Trade Offenses Initiative. The international trade fraud initiative is a designated priority of the Attorney General's Economic Crime Council. GLLAS has been active in coordinating multi-district aspects of the Custom Service's massive nationwide "Q-TIP" textile transshipment investigation and subsequent prosecutions, with Section support including convening a meeting of agents and prosecutors from a dozen affected districts, and providing litigative support, legal advice, and policy guidance to various affected districts and litigating cases upon U.S. Attorney office request. We have also been representing DOJ criminal justice concerns in the ongoing interagency Textile Transshipment Task Force effort, co-chaired by the Department of Commerce and U.S. Trade Representative; that effort will likely lead to significant changes in the Federal Government's approach to regulating international textile trade, including treaty language and Customs Service

administrative procedures. GLLAS has also supported Congressional Subcommittee, General Accounting Office, and internal Customs Service reassessments of existing international trade enforcement practices.

Indian Gaming Initiative. This initiative concerns enforcement in the area of illegal gaming on Indian reservations. The objective is to close down tribal operations not in conformance with the Indian Gaming Regulatory Act (IGRA) enacted in October 1988. The Section trains prosecutors and law enforcement officers in the intricacies of the IGRA and the National Indian Gaming Commission's (NIGC) regulations, monitors changes in the case law, provides litigative advice and support to the United States Attorneys' Offices, and coordinates investigations and enforcement with the FBI, the NIGC and the Bureau of Indian Affairs.

Life/Health Endangering Safety Violations Initiative. This initiative enforces the criminal provisions of the Occupational Safety and Health Act (OSH Act), the Coal Mine Safety and Health Act (MSH Act) and the Atomic Energy Act. This initiative is based on the need for safety in dangerous work situations, the potentially catastrophic consequences that can result from a nuclear disaster, and the difficulties inherent in prosecuting regulatory cases. GLLA reviews all regulatory agency referrals of criminal investigations for prosecutive merit, referring to the appropriate U.S. Attorneys' Offices cases that are not sufficiently complex to merit Section resources, declining cases that merit no further action, and handling meritorious complex referrals. Section attorneys convicted Main Industries in the Eastern District of Virginia for OSH Act violations resulting from an explosion that killed two employees and injured another while they were spray painting the inside of a barge. In the District of New Jersey, John Cusack was convicted of OSH Act violations resulting in the death of an employee when the structural steel frame for a warehouse collapsed. Section attorneys and attorneys in the Western District of Kentucky also handled a MSH Act case involving a gas explosion at a mine in Wheatcraft, Kentucky that killed 10 men. The mining company and 10 employees have pleaded guilty to MSH Act violations. The company has agreed to pay a $3.75 million fine which is almost four times as great as the previous largest fine in a mine case. Trial for four other employees is pending.

Immigration Violations Initiative. There are three aspects to the Section's immigration enforcement initiative. First, the Section works with the Immigration and Naturalization Service (INS) to promote effective investigation of immigration law violations. In this regard, the Section's primary function is to review proposed INS undercover operations, and to ensure that these proposals satisfy legal standards and effectively utilize investigative resources. Currently, four Section attorneys serve on the INS Undercover Operations Review Committee (UORC). Second, Section attorneys assist the INS by participating in training exercises with that agency. Finally, where appropriate, Section attorneys directly participate in prosecutions. In the District of Idaho, Daniel Symms, Symms Fruit Ranch, Inc., and an employee pleaded guilty to immigration violations resulting from the falsification of documentation relating to special agriculture worker applications so that illegal aliens could work at the fruit farm.

Child Support Recovery Act of 1992 Initiative. The Child Support Recovery Act of 1992 was signed on October 25, 1992. One section of this Act imposes criminal penalties for the willful failure to pay a past due support obligation with respect to a child residing in another state. The Section is responsible for formulating policy concerning enforcement of the Act, providing legal advice concerning the Act to federal prosecutors, and responding to inquiries from members of Congress,

other federal agencies, and the public. Prosecutive guidelines and procedures for enforcing the Act have been sent to all United States Attorneys.

Legal Advice: In the legal advice area, the Section is working with INS to redraft its undercover operations guidelines. Section attorneys are preparing a search and seizure manual for use by investigators and prosecutors in handling computer crime cases. Further, the Section updated the Guidelines for Drafting Indictments, an extremely popular book that was initially published in 1990. Crime resistance is a cost effective way to fight crime. For example, a Section attorney is participating on a joint Transportation/Justice task force studying problems relating to motor vehicle titling, registration, and salvage controls as they relate to the problem of motor vehicle theft. The task force is mandated by the Anti Car-Theft Act of 1992.

Workload: (Some 1992 actual workload data has been revised since the 1994 Congressional Budget to reflect a more accurate picture of the Criminal Division's workload)

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Public Integrity Matters:						
Pending, beginning of year.....	127	154	181	181		181
Opened.....	210	199	220	220	(4)	216
Closed.....	178	172	220	220	...	220
Pending, end of year.....	159	181	181	181		177
Public Integrity Cases (lead prosecution):						
Pending, beginning of year.....	14	34	23	23		23
Opened.....	48	34	35	35	(1)	34
Closed.....	28	45	35	35	...	35
Pending, end of year.....	34	23	23	23		22
Disposition of defendants in Public Integrity cases litigated:						
Convictions.....	36	51	40	40	...	40
Acquittals/dismissals.....	2	7	...	...	...	...
Fraud Matters:						
Pending, beginning of year.....	283	543	664	544		544
Opened.....	415	362	251	242	(5)	237
Closed.....	155	241	171	240	(5)	235
Pending, end of year.....	543	664	544	546		546

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Fraud Cases (lead prosecution):						
Pending, beginning of year.....	69	101	88	98		98
Opened.....	106	85	95	91	(2)	89
Closed.....	73	91	92	90	(2)	88
Pending, end of year.....	101	95	98	99		99
Disposition of defendants in Fraud cases litigated:						
Convictions.....	109	116	130	125	(2)	123
Acquittals/dismissals.....	14	17	15	14	...	14
Other dispositions (transfers to U.S. Attorneys, deaths).....	...	...	...	...	...	...
Court Ordered Fines/Restitution/ Forfeitures/Settlements (In million of dollars).....	974*	68	100	100	...	100
* Includes the $550 million forfeiture in BCCI.						
Child Exploitation & Obscenity Matters:						
Pending, beginning of year.....	103	251	324	324		324
Opened.....	392	469	350	350	(7)	343
Closed.....	244	396	350	350	(7)	343
Pending, end of year.....	251	324	324	324		324
Child Exploitation & Obscenity Cases (lead prosecution):						
Pending, beginning of year.....	25	35	30	30	...	30
Opened.....	17	13	15	15	...	15
Closed.....	7	18	15	15	...	15
Pending, end of year.....	35	30	30	30		30

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Disposition of defendants in Child Exploitation & Obscenity cases litigated:						
Convictions.....	41	30	35	34	...	34
Acquittals/dismissals.....	...	3	...	...	...	...
Other dispositions (transfers to U.S. Attorneys, deaths).....	10	10	10	10	...	10
Litigation: Matters (Investigations handled by Section)						
Pending, beginning of year.....	33	45	66	76		76
Opened.....	59	67	75	85	(2)	83
Closed.....	47	46	65	75	(1)	74
Pending, end of year.....	45	66	76	86		85
Litigation: Cases (Handled by Section)						
Pending, beginning of year.....	4	8	10	16		16
Opened.....	13	20	30	35	...	35
Closed.....	9	18	24	33	...	33
Pending, end of year.....	8	10	16	18		18
Disposition of defendants in General Litigation & Legal Advice cases litigated:						
Convictions.....	8	22	27	35	...	35
Acquittals/dismissals.....	0	1	0	0	...	0
Other dispositions (transfers to U.S. Attorneys, deaths).....	1	0	0	0	...	0
Legal Advice: Written Assignment	1275	1764	2000	2500	...	2500
Telephone Advice	--	1296	1350	1450	...	1450
Criminal Appeals (Handled by Section)	11	4	11	11	...	11
Civil Cases (Handled by Section)	20	14	18	20	...	20

Estimates by budget activity	1994 Appropriation Enacted			1995 Base			1996 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Matters												
International	138	140	$14,026	137	139	$14,427	133	135	$13,992	(4)	(4)	($435)

The program changes listed above are explained in detail in the Justification of Multi-Activity Program Changes exhibit located on the last page of the narrative.

Long Range Goal: To provide legal assistance and central coordination necessary to maintain effectiveness of federal criminal law enforcement in the areas of national security, foreign relations, counter-terrorism, and to locate, investigate, denaturalize and deport individuals who concealed activities committed during World War II involving prosecution of others in order to gain entrance to the United States.

Major Objectives:

Office of International Affairs

To guide federal and state authorities in returning fugitives from abroad, and to obtain evidence and legal assistance from foreign governments.

To represent, or supervise the legal representation of, foreign governments' extradition and evidence requests in U.S. courts.

To negotiate treaties and other agreements that facilitate extradition of fugitives and acquisition of evidence, and improve the administration of justice across international boundaries.

To coordinate the Department's policy on international law enforcement matters with other government agencies, principally the Departments of State and Treasury.

To promote effective international legal cooperation through a comprehensive training program both in the United States and abroad.

Internal Security Section

To develop, implement and coordinate investigative and litigative strategies in the area of national security.

To supervise all prosecutions involving the Neutrality statutes, the Espionage statutes, the Arms Export Control Act, the

Export Administration Act, the International Emergency Economic Powers Act and the Classified Information Procedures Act (CIPA).

To administer and enforce the Foreign Agents Registration Act (FARA) and provide legal support to all Federal investigative agencies engaged in national security matters.

Office of Special Investigations

To identify all alleged war criminals living in the United States and seek to denaturalize and/or deport them. To prevent entry of Nazi persecutors into the United States.

To develop and maintain working relationships with foreign governments having information relating to the activities of suspected Nazi war criminals.

To assist foreign governments in extradition and in their investigation and prosecution of Nazi war criminals.

Terrorism and Violent Crime Section

To investigate and prosecute federal offenses related to international acts of terrorism.
To provide legal advice and guidance, as well as litigative support, to U.S. Attorneys' offices involved in violent crime/gang prosecutions.

To develop, implement, and coordinate Department initiatives in the areas of violent crime and terrorism.

To prosecute major violent crime cases which, due to recusal or the complexity of the case, cannot be handled by the local U.S. Attorney's Office.

Base Program Description:

Office of International Affairs

The Office of International Affairs (OIA) is responsible for international mutual legal assistance and international extradition. Under the authority of the Mutual Legal Assistance Treaties (MLATs), the Office opens channels of communication with foreign governments to obtain investigative assistance and evidence from other countries. International extradition returns fugitives to the U.S. by extradition. OIA has links with numerous foreign and domestic entities, including foreign Justice/Interior Ministries, police, Embassies in Washington, the Departments of State and Treasury, other components of Justice, INTERPOL, and federal and state prosecutors.

To assure that extradition requests submitted by the United States meet the requirements of the treaties and foreign law, the Office advises federal and state prosecutors on preparing outgoing requests and has the responsibility for reviewing and approving all extradition requests made by the United States. With respect to incoming extradition cases (i.e., those made by foreign governments), the Office reviews the requests to assure sufficiency under the applicable treaty and U.S. law. It also supervises and assists in the litigation of foreign extradition requests by the United States Attorneys' Offices. Similarly, to assure that requests submitted by the United States seeking evidence from foreign countries under MLATs meet the requirements of the applicable treaty, the Office of International Affairs, acting as the United States Central Authority, advises federal and state prosecutors on the preparation of all such requests and screens or redrafts them prior to transmittal. When, in the absence of a MLAT, such requests are made by letters rogatory, the Office performs essentially the same role. To promote the reciprocal assistance by foreign governments in executing United States evidence assistance requests, the Office of International Affairs either directly executes foreign requests for evidence or other assistance, or supervises the execution of such requests by the United States Attorneys' Offices, including such litigation as may arise from the execution of those requests.

Internal Security Section

The Internal Security Section investigates and prosecutes cases affecting the national security, foreign relations, and the export of military and strategic commodities and technology. It also administers and enforces the Foreign Agents Registration Act of 1938 and related statutes. This Section has exclusive prosecutorial responsibility for criminal statutes regarding espionage, sabotage, neutrality, and atomic energy. Criminal cases involving classified information, especially the application of the Classified Information Procedures Act, are coordinated by this Section.

The four major areas of the Internal Security Section (ISS) are: Espionage Unit, Export Unit, Graymail Unit and Registration Unit. The Espionage Unit provides legal advice and guidance to the investigative and intelligence communities in the development of cases for prosecution and directs support to the United States Attorneys' Offices when prosecution is undertaken. The Export Unit works closely with investigative agencies and the United States Attorneys' Offices to develop and prosecute cases under the Arms Export Control Act, the Export Administration Act and the International Emergency Economic Powers Act. Under these statutes, the Executive Branch controls the export of military and strategic items and technology by requiring a validated license for their exportation, and the export enforcement program is a vital component in our use of trade embargoes to further national security and foreign policy objectives. The Graymail Unit is consulted in any criminal case involving the possible disclosure of classified information in litigation, and furnishes legal advice concerning use of the Classified Information Procedures Act (CIPA) to United States Attorneys, the Department, and other components of the Executive Branch. The Registration Unit is responsible for the registration of representatives of foreign governments and entities, supervising investigations, conducting inquiries, inspections, and all Foreign Agents Registration Act (FARA) related criminal and civil litigation.

Office of Special Investigations

OSI's mission is to identify, investigate, and take appropriate action to deport, denaturalize, extradite or otherwise

prosecute persons who, in conjunction with the Nazis regime, ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin or political opinion. OSI is also charged with the responsibility of ensuring that such individuals do not gain entry into this country.

OSI is unique within the Criminal Division in that it is essentially a "self-contained" operation. OSI personnel, without substantial assistance from other agencies, identify potential Nazi criminals (through the research of OSI professional historians); investigate the subject's wartime activities and immigration to the U.S.; and handle all aspects of the ensuing litigation (including appeals) with minimal involvement of the U.S. Attorneys' Offices.

The Office of Special Investigations (OSI) is responsible for implementing U.S. law enforcement policies, investigations, and prosecutions of individuals who participated or assisted in persecuting people because of race, religion, national origin, or political opinion. Many of these people were admitted as aliens or became naturalized citizens of the United States. The activities of the Office include historical research, investigations, witness interviews in the United States and abroad, and denaturalization/deportation litigation before administrative bodies and U.S. courts. There are four major phases of work: (1) matching the name of a United States resident to an allegation or suspicion of war crimes, and opening an OSI file on that person; (2) investigation of suspects; (3) litigation; and (4) appeals of judgment or other final orders.

Terrorism and Violent Crime Section

The responsibilities of TVCS extend to the following areas of federal criminal law:

- Violence Directed Against People -- e.g., threats, assaults, kidnappings, and murders.
- Violence Directed Against People and Property -- e.g., aircraft piracy and robbery.
- Violence Directed Against Property -- e.g., destruction of an aircraft and arson.
- Instrumentalities of Violence -- e.g., firearms and explosives violations.

In the area of international terrorism, the Section responds to significant criminal violations which impact on U.S. interests. TVCS investigates and prosecutes federal offenses resulting from acts of terrorism, and must be prepared to respond quickly when terrorist incidents occur or when defendants become available in cases that have been indicted. In terrorism cases, which have involved, for example, the hijacking or bombing of U.S. flights, the bombing of U.S. embassies, and the abduction or murder of U.S. citizens, Section attorneys provide legal advice to investigators, participate in coordinating the investigations and, together with the pertinent U.S. Attorney's office, prepare and prosecute cases.

In the area of domestic violent crime, the Section develops, and assists in the implementation of, enforcement initiatives designed to enhance the effectiveness of the federal law enforcement response to this national problem. TVCS has published,

and updates, a federal firearms manual and is currently producing monographs to address issues that arise in prosecutions involving gang-related criminal activity and murder-for-hire. The Section conducts and participates in training conferences on violent crime/gang prosecutions, and handles appellate matters in the firearms area, in coordination with the Appellate Section. Section attorneys assume direct responsibility for the investigation and prosecution of particularly significant violations where appropriate due to recusal or a lack of expertise in the local U.S. Attorney's office.

At the programmatic level, Section attorneys develop legislative initiatives and coordinate with other executive branch agencies strategies designed to deter terrorist activities and violent crime.

Accomplishments:

Office of International Affairs

- TREATIES

Extradition treaties are the principle means by which fugitives located abroad are surrendered to the United States. Mutual Legal Assistance Treaties (MLATs) are a relatively new kind of law enforcement treaty and have proven to be a more effective means of obtaining foreign evidence than the letters rogatory mechanism we must use in the absence of an MLAT.

OIA continued to pursue an aggressive agenda in 1993 of negotiating law enforcement treaties, including formal negotiations with Austria, Cyprus, Hungary, India, Malaysia, and Zimbabwe. In addition, OIA placed special emphasis on bringing completed treaties into force more quickly and efficiently. As a result in part of these efforts, six new treaties have entered into force: extradition protocols with Germany (March 1993) and Spain (July 1993) and MLATs with Argentina (February 1993), Thailand, Morocco, and Spain (all three in June 1993). In addition, the Senate has advised and consented to ratification of four treaties which should enter into force soon. These include MLATs with Belgium, Uruguay and Jamaica, and an extradition treaty with the Bahamas. Moreover, MLATs with South Korea, Panama, and Nigeria, and extradition treaties with Belgium and Switzerland have been signed and are now ready for Senate approval. Finally, OIA devoted substantial resources during the year to the negotiation of multilateral conventions, including an OAS convention on the Criminal Aspects of trafficking in Minors, OAS conventions on Mutual Legal Assistance and Prisoner transfers, and UN Conventions on an International Criminal Court and a war crimes (Bosnian) tribunal.

- CASES

Terrorism/Violent Crimes. Since January 1993, OIA has been assisting the FBI and the U.S. Attorney's Office for the Southern District of New York in the World Trade Center bombing case. In March, OIA, working with the Department of State, was able within less than a week to secure the arrest and expulsion from Egypt of Mahmomud Abu Halima, a/k/a Mahmud Abohalima, for prosecution in New York in connection with the bombing. OIA was also able, in thirty-six hours, to draft a letter rogatory for bank records located in Germany, transmit it to New York for execution by the Court, transmit the document and its translation to Germany, and negotiate the immediate seizure of the documents by German authorities.

In late 1993, France granted the extradition of U.S. national Joy Davis Aylor to Dallas, Texas, where she was wanted to stand trial on charges of capital murder (one count), conspiracy to commit capital murder (two counts) and solicitation of capital murder (two counts).

After some four years of litigation, the Israeli Minister of Justice signed an order on November 23, 1993, permitting Rochelle Manning to be returned to the U.S. for having, in 1980, sent a letter-bomb which exploded when opened by the secretary of the intended victim, killing her. Rochelle Manning's husband and codefendant Robert was returned to the United States on July 18, 1993, subsequent to the rejection by the Israeli Supreme Court of numerous last minute appeals. In October, he was convicted on all counts by a federal jury in Los Angeles. There had been significant public pressure upon the Minister of Justice to deny the U.S. request for extradition, because the Mannings were members of a well-known group of right-wing activists who had settled in the occupied West Bank and because the Mannings had become Israeli citizens before their extradition was sought.

In late 1993 UK authorities produced records to assist the United States Attorney for Central District of California in its investigation of the murders of two male strip dancers associated with the Chippendales. Two individuals pleaded guilty to conspiracy to murder and admitted that important meetings for this murder-for-hire scheme took place in the UK.

After being a fugitive for 16 years, Edward Howard Bell was arrested in Panama and expelled to the United States within four days to face charges in the state of Texas for murder and sexual assault of children. Bell was one of five fugitives extradited or expelled from Panama in late 1992 and 1993.

Gregory McMaster, who was serving a life sentence in Minnesota for the murder of a police officer, was extradited to Canada in early 1993 after a long legal battle to face three additional murder charges. McMaster was one of several alleged murderers extradited between Canada and the United States during FY 1992 to the present.

Fraud. In the culmination of a massive fugitive search operation, Thomas J. Billman was extradited from France in December of 1993 to stand trial in federal court for his involvement in the virtual collapse of the Maryland savings and loan industry. This also allows the state of Maryland to continue to pursue collection of the $100,000,000 judgment it obtained against him in state court. In addition to the extradition efforts, OIA obtained bank records from Switzerland needed as evidence in this major fraud case.

On October 5, 1993, Spain arrested Miguel Recarey for extradition to the United States. Recarey was indicted in 1987 in the Southern District of Florida on various charges stemming from a major $30 million Medicare fraud scheme.

In late 1993, David Brunson, a former Oklahoma District Attorney, and his son, David, were convicted on all 50 counts of fraud, arising from the defrauding of a Russian coal company of $1.3 million. OIA arranged for a Russian MVD investigator and another Russian witness to testify at the trial in Oklahoma. This is believed to be the first time a Russian investigator has ever testified at trial in a U.S. court.

For purposes of the federal prosecution of Charles Keating on bank fraud charges related to the collapse of Lincoln Savings and Loan, OIA obtained banking and financial records from the United Kingdom and Switzerland, witnesses from the U.K., and also persuaded the Swiss to freeze Keating assets in Swiss banks.

Narcotics/Money Laundering. During calendar year 1993 OIA arranged for the return to the United States of approximately $50 million for forfeiture proceedings from Switzerland, Austria, Hungary, and Liechtenstein. The money represented the proceeds of drug trafficking and money laundering by such major international criminals as Rodriguez Gacha and Stephen Saccoccia.

On one day in October 1993, Pakistan extradited five of its nationals (Misal Khan (wanted in New York), Khalid Khan and Tavis Khan (wanted in Maryland) and Salim Malik and Shahid Khawaja (wanted in the Pennsylvania)) charged with drug trafficking in three different districts to the United States. A few weeks later it extradited another one of its citizens, Azam Mian Mohammad, a/k/a "Mian Azam" and "Mohammad Mian Rehman," to stand trial on narcotic offenses in New York.

In the latter part of 1993, Hong Kong extradited seven fugitives to the United States for prosecution. The fugitives extradited were Wu Long, a/k/a Robert Yuen (wanted in New York on charges arising from the importation and distribution of multi-kilogram shipments of heroin), Yeung Pui Sun, Pong Chun Wo and Yu Wing Kwong (all returned to the Eastern District of New York to face heroin trafficking and money laundering charges in connection with the importation and distribution of over 400 pounds of heroin into the New York area between 1987 and 1989), Cho Shu Wah (also wanted in the Eastern District of New York to stand trial on narcotics related charges), Thai heroin trafficker Thongchai Sanguandikul, wanted in the Western District of Pennsylvania on multi-kilogram quantities of heroin charges) and Lee Paul Der (wanted for prosecution in the State of Maryland on fraud, embezzlement and theft charges).

In late 1993, Germany surrendered Bolivian nationals Rocky Ernesto Bascope-Zurita, Olavo Subieta-Sierra and Jorge Enrique Zurita-Franco to U.S. authorities. The three were wanted to stand trial in the U.S. District Court for the Western District of Missouri on charges of conspiracy to import cocaine. Between December 1992 and May 1993, Bascope-Zurita, Subieta-Sierra and Zurita-Franco conspired to transport 10 kilograms of cocaine from Bolivia to Kansas City, Missouri. The cocaine was to be smuggled into the United States by bonding it within the fiberglass of a bathtub.

In December of 1993, the Czech Republic surrendered Paul Kevin Knutson to U.S. authorities for him to stand trial in the U.S. District Court for the Eastern District of California on charges of importation of hashish and possession of hashish with intent to distribute. Between January 1991 and January 1993, Knutson smuggled approximately 70 kilograms of hashish into the United States from Nepal by processing it into cylindrical form and concealing it inside the core of mountain climbing rope.

In the spring of 1993, Thomas Craig Beaver was returned to the United Kingdom, where he was wanted on charges of production and conspiracy to produce methamphetamine. Beaver, along with Nathan Shlechter and Joseph Jackson McGill (extradited to the U.K. in 1992), operated the largest network of methamphetamine laboratories in British history. All three of the men are American citizens.

The United States extradited Giancarlo Formichi Moglia to Italy in April 1993 to face charges arising from his alleged involvement in large-scale laundering of cocaine profits linked to major Colombian cartel members. Formichi Moglia was arrested in Hawaii after he had succeeded in defeating Italy's extradition request in Australia, based on a bogus claim that he was not actually charged in Italy. A similar strategy in our courts failed.

- TRAINING INITIATIVES FOR FOREIGN PROSECUTORS

With support from other Criminal Division components in 1993, OIA developed and participated in a number of conferences designed to educate foreign prosecutors about U.S. laws and mechanisms for improving international cooperation in law enforcement matters, including the following:

Conference for prosecutors in the Caribbean dependencies of the United Kingdom, focusing on improving understanding of U.S. laws and procedures in order to overcome traditional problems with U.S. extradition requests, held in Washington in the spring of 1993;

Conference for French magistrates, held in May 1993 at Quantico, designed to improve mutual understanding of U.S. and French laws (including significant revisions of French code) and strengthen the basis for effective cooperation in evidence sharing and extradition matters;

Third annual U.S.-Mexico binational prosecutors conference, held to improve cooperation between American and Mexican prosecutors, particularly in addressing cross-border drug trafficking and crimes of violence;

Conference for international/national security coordinators from each of the US Attorneys offices held in Washington in September of 1993 to provide training for the coordinators in the handling of international cases and cases involving national security; and

OIA staff has also participated in a number of training seminars for prosecutors and other law enforcement officials in former Eastern Bloc countries.

Internal Security Section

The Internal Security Section (ISS) Espionage Unit has counseled and coordinated the activities of several agencies engaged in the investigation of the European-based espionage ring led by former U.S. Army Sergeant Clyde L. Conrad. For more than a dozen years, Conrad and his confederates, including two couriers residing in Sweden, sold hundreds of highly sensitive NATO defense plans to Hungary. Section attorneys met frequently with the German prosecutors (who secured Conrad's conviction), and intelligence and law enforcement officials of other countries to ensure the comprehensive resolution of the investigation. An extensive grand jury investigation conducted jointly by Section attorneys and the U.S. Attorney's Office in Tampa, Florida led to the indictment for espionage of Roderick Ramsay, Conrad's chief supplier of classified documents, and the arrests of U.S. Army Sergeants Jeffrey S. Rondeau and Jeff Gregory, who are awaiting trial. Ramsay has pled guilty

and been sentenced to 35 years' imprisonment. Section attorneys supervised the investigation and prosecution of former CIA employee Virginia Baynes, who furnished classified documents to Joseph Garfield Brown for delivery by Brown to officials of the Philippine government. Baynes and Brown entered guilty pleas and were sentenced to terms of 41 months and 70 months, respectively. In a separate, but similar case supervised by the Section, former Defense Intelligence Agency analyst Frederick C. Hamilton pled guilty to delivering classified documents to foreign agents and was sentenced to 37 months. Section attorneys also supervised the investigation and prosecution of Stephen J. Lalas, a State Department communicator, for espionage on behalf of Greece. Lalas was sentenced to 14 years.

The Export Control Enforcement Unit: On March 25, 1993, Baxter International, Inc., pled guilty to charges that the corporation furnished information to the Arab League boycott authorities concerning its business dealings in and with Israel in an effort to obtain removal from the blacklist. Baxter paid $6.5 million in criminal and civil fines and suffered the loss of some export privileges for two years. On August 26, 1992, seven members of the Provisional Irish Republican Army (PIRA) were charged with conspiracy and substantive violations in connection with the exportation of bomb detonators, a Stinger missile and other war materials to PIRA in Northern Ireland. This case is in pretrial proceedings. On June 17, 1993, three Chinese resident aliens were convicted on conspiracy and substantive charges of exporting a large quantity of image intensifier tubes used in night vision equipment to the People's Republic of China, in violation of the Arms Export Control Act and related statutes. The principal defendant, Bin Wu, was sentenced to 10 years' imprisonment, and the other two defendants received sentences of 6 years' and 3 years and 5 months imprisonment, respectively. The court also ordered the forfeiture of $460,000 and various equipment used in the illegal enterprise. On May 26, 1993, a grand jury in Miami, Florida, returned a twenty-one count indictment charging Carlos Cardoen, an international arms dealer, several corporations owned by Cardoen, a U.S. corporation and four individuals with violations of the Arms Export Control Act and related offenses, for exporting form the United States 130 tons of zirconium and fuse components for use in the manufacture of cluster bombs which were exported from Chile to Iraq. This case is in pretrial proceedings. On July 13, 1993, in Chicago, Illinois, Bajro Hukic and several other defendants entered guilty pleas to a violation of the conspiracy statute in connection with a scheme to export over 300 handguns from the United States to the Croatian forces in Yugoslavia. On June 30, 1993, Aero Systems, Inc., and its subsidiaries entered guilty pleas to violations of the Arms Export Control Act for exporting a large quantity of Hawk missile components and military aircraft parts to Iran between 1983 and 1986. The corporation was fined $200,000. This fine is in addition to a $410,000 fine which Aero Systems, Inc., paid in April 1993 for exporting approximately $1 million worth of components for inertial navigation systems to Iran between 1984 and 1987. On July 8, 1993, a grand jury in Boston, Massachusetts, returned an indictment against Fiber Materials, Inc., and two senior corporate officials for exporting to India in 1988 a control panel used in the manufacture of missile nosecones, in violation of the Export Administration Act. This case is in pretrial proceedings. On February 2, 1993, a U.S. businessman and two Canadian companies were indicted for violations of the International Emergency Economic Powers Act and the money laundering statute for exporting over $500,000 worth of agricultural equipment to Libya. This case is in pretrial proceedings. On Monday, December 13, 1993, a grand jury in the District of New Jersey returned two separate indictments in a case involving a scheme by officials of Rexon, Inc., of New Jersey and Ordtech, Ltd., of London, England to export 300,000 fuse subassemblies and components, valued at approximately $3.7 million, to Iraq in 1989 and 1990. This case is in pretrial proceedings.

The Graymail Unit coordinated the use of the Classified Information Procedures Act (CIPA) in 36 cases during 1993. The Registration Unit assisted the United States Attorney's Office in Denver in a grand jury investigation, which resulted in the return of an indictment charging three individuals with conspiracy to defraud the United States and to violate the Foreign Agents Registration Act (FARA), and several substantive tax counts in connection with their alleged undisclosed representation of the Government of Kuwait. The Registration Unit is currently assisting that office in responding to pretrial motions and in preparation for the trial of the case.

ISS has established a liaison relationship with the International Atomic Energy Agency (IAEA) and the United Nations Special Commission on Iraq so as to complete all logical investigation of potential violations of U.S. export control laws by individuals and firms involved in the Iraqi procurement network.

ISS will continue to participate as instructors in the training of U.S. Customs Agents at Strategic Investigation Training Seminars in Glynco, Georgia. Customs will conduct approximately five sessions, with 20 agents at each session, in 1994.

ISS is preparing a manual on the prosecution of cases under the neutrality laws. We have seen a resurgence of unlawful activities by anti-Castro forces in Florida, and the break-up of the Soviet Union may also lead to neutrality violations by other dissident groups. In this connection, we will be discussing the need for amendments to existing neutrality legislation with the Office of Legislation.

ISS is working closely with the FBI and the Office of International Affairs to obtain from the German government the files of the former East German intelligence service which are relevant to a number of unresolved foreign counterintelligence investigations. In addition, similar efforts are being undertaken to identify intelligence officers who operated against U.S. interests, and obtain their voluntary statements or their compelled testimony pursuant to letters rogatory.

ISS' proposed regulations to establish fees under the FARA in accordance with the provisions of Title I of Public law 102-395, which authorizes the Attorney General to establish and collect fees to recover the cost of administering the Registration Unit, were published in final form in the Federal Register in July with an effective date of August 11, 1993. As of January 4, 1994 over $280,000 has been generated under this program.

ISS will submit to Congress, as part of the Department's legislative package, our Proposed Bill to Amend FARA. ISS has worked closely with the Office of the Attorney General and the White House Domestic Policy Office to clarify and strengthen the registration and disclosure requirements of the Lobbying Disclosure Act of 1993. This legislation was introduced in February 1993 by Senator Carl Levin and Congressman John Bryant.

Office of Special Investigations

The Office of Special Investigations is experiencing an increase in workload for rendering assistance to the Governments of Canada and Great Britain where similar units have been formed to investigate war criminals. Cases which the Office of Special Investigations regards as final dispositions, because the individuals have departed the U.S. pursuant to consent

agreements or extradition, continue to require an inordinate expenditure of resources because of the subjects' efforts to revoke their consent agreements or contest the extradition order. The dissolution of the Soviet Union has enhanced the Office's access to key archives in Russia, Ukraine, Belarus, and the Baltic countries and has increased historical research and corresponding investigations and litigation.

Terrorism and Violent Crime Section

During FY 1992 and FY 1993, the Section has had several major accomplishments in terrorism. In November 1991, a grand jury of the District of Columbia indicted two operatives of the Libyan government for participation in the bombing of Pan Am Flight 103 over Lockerbie, Scotland. The Section continues to work with the U.S. Attorney's Office in the District of Columbia, the FBI, and Scottish investigators and prosecutors to develop additional evidence against the two indicted defendants and others believed to have been involved.

On July 16, 1993, Omar Mohammed Ali Rezaq was indicted and arraigned in the District of Columbia on charges related to the 1985 hijacking of an Egyptair flight that was en route from Athens to Cairo, Egypt. On November 23, 1985, Egyptair Flight 648, with three Americans aboard, was diverted to Malta, where Rezaq identified the American and Israeli passengers and shot them in the head. An American woman and an Israeli woman were murdered; three other persons, including the other two Americans, were also shot. The Section engaged, together with other pertinent agencies, in an intensive effort to obtain Rezaq's presence in the United States following his release from prison in Malta, where he served a sentence of only seven years following his conviction on murder and firearms charges related to this incident. Rezaq is being held without bond pending trial in this case, which is a joint prosecution with the U.S. Attorney's Office for the District of Columbia.

On June 18, 1993, the successful conviction of Mohammed Rashid was affirmed in an appeal proceeding in Greece that commenced on March 10, 1993. The appeal was in effect a trial de novo of Rashid, who was convicted in a Greek criminal court of murder and other offenses as the result of his involvement in the August 1982 bombing of a Pan Am airliner en route from Tokyo to Honolulu. The Greek prosecution, which was initiated after Greece declined to extradite the defendant to the United States, relied entirely on evidence developed by the FBI and Criminal Division prosecutors. A Criminal Division attorney was present at the proceedings. All witnesses who were called to testify were from the United States.

On March 31, 1993, four defendants were indicted in the Eastern District of Missouri on charges related to their activities as operatives of Abu Nidal, a dangerous international terrorist organization. The defendants are charged with RICO and related offenses involving, among other things, the murder of the 16-year-old daughter of one of the defendants, conspiracy to kill persons of Jewish extraction, and money laundering. Section attorneys are assisting the U.S. Attorney's office in this prosecution.

The Terrorism and Violent Crime Section is supporting the efforts of the FBI and U.S. Attorney's office in the investigation and prosecution relating to the explosion at the World Trade Center in New York City on February 26, 1993,and in a related prosecution that resulted in the indictment of Egyptian Sheik Omar Ahmad Ali Abdel Rahman on August 25, 1993. The latter indictment charges Rahman and 14 other defendants with conspiracy to levy a war of urban terrorism against the United

States. The Section also has provided support to federal agencies involved in the investigation into the fatal shooting outside the CIA and the attempt to apprehend the defendant.

On October 16, 1992, two Panamanian nationals were indicted on charges that included murder and conspiracy to murder a U.S. national. The charges involved a shooting into a U.S. military vehicle in Panama on June 10, 1992, that left one soldier dead and one wounded. On April 9, 1993, an indictment was returned charging a member of the international terrorist organization, the Japanese Red Army, with murder of a U.S. national in connection with the April 14, 1988, bombing of a USO club in Naples, Italy. The bombing caused the deaths of an enlisted Navy woman and four Italian citizens. Both cases are being handled jointly by attorneys from the Terrorism and Violent Crime Section and the U.S. Attorney's office for the District of Columbia.

During FY 1992 and FY 1993, the Section also has had major accomplishments in the area of violent crime. Twelve defendants have been indicted in Waco, Texas, for their roles in the shootoff with federal agents on February 28, 1993, that resulted in a 51-day standoff with federal agents. On September 9, 1993, Kathryn Schroeder pled guilty to aiding and abetting in forcibly resisting federal law enforcement officers, agreeing to cooperate in the prosecution of the remaining defendants. The Criminal Division has supervisory responsibility over this prosecution. A TVCS attorney has been detailed to the prosecution team.

A Section attorney is serving as the lead prosecutor in the investigation and prosecution of persons responsible for a fatal mail bombing in Alaska which was aimed at killing the key witness in a state homicide trial. Four people were indicted for that crime in April 1992. Three defendants have pled guilty and a fifth defendant was indicted for his role in the bombing conspiracy.

On April 29, 1993, after a twelve-week trial, two defendants were convicted for their roles in the assassination of the first elected president of Palau, a U.S. Territory in the Western Pacific. A Section attorney was named interim special prosecutor for Palau in order to try this case. John O. Ngiraked, a prominent politician in Palau, and his wife, Emerita Kerradel, were convicted of first degree murder for the assassination of president Haruo I. Remeliik. The evidence showed that Ngiraked and his wife initiated, planned, and paid for this assassination. Ngiraked is former president of the Micronesian Constitutional Congress and a former political opponent of Remeliik, having run twice for the presidency of Palau, most recently in 1988 after Remeliik's death. The two defendants were sentenced to life imprisonment.

The Section continues to handle a case against seven defendants indicted for having conspired to assassinate the United States Attorney for the District of Oregon. At the time the indictment was returned, all defendants resided outside the United States. Two have subsequently been returned to the United States and have entered guilty pleas. Extradition proceedings are presently ongoing against three other defendants and it is anticipated that two of them will be returned to the United States by late 1993. Efforts are continuing to obtain custody of the remaining defendants.

The Section responds to a growing demand for assistance in the area of gang prosecutions. The Terrorism and Violent Crime Section is working with federal prosecutors and law enforcement agencies to develop effective strategies in gang

prosecutions and to maximize the use of federal statutes to achieve prolonged incarceration of violent offenders. In June 1992, the Section was involved in the development of, and participated in, a nationwide training conference on gang prosecutions for federal, state, and local prosecutors. In June 1993, the Section participated in a violent crime conference for federal prosecutors, with an emphasis on gang prosecutions. The Section was involved in the development of that conference, and Section attorneys are in the process of drafting a monograph on gang prosecutions for federal prosecutors.

For all assigned statutory areas, the Section provides legal advice to federal prosecutors, develops policy guidance and training programs as needed, and formulates legislative proposals to address statutory weaknesses or omissions. In June 1992, the Section published a Federal Firearms Manual for federal prosecutors that addresses the many complex issues that arise in firearms cases. Section attorneys are in the process of updating the firearms manual, and preparing additional manuals on prosecutions related to gang violence and murder-for-hire.

Workload: (Some 1992 actual workload data has been revised since the 1994 Congressional Budget to reflect a more accurate picture of the Criminal Division's workload)

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Office of International Affairs						
Foreign Extradition:						
Requests Pending, Beginning of Year..	1,243	1,407	1,507	1,845		1,845
Requests Received.....	599	475	563	600	...	600
Requests Closed.....	435	375	225	216	(6)	210
Requests Pending, End of Year.....	1,407	1,507	1,845	2,229		2,235
U.S. Extradition (Exclusive of OCDETF Related Requests):						
Requests Pending, Beginning of Year..	344	413	538	618		618
Requests Received.....	265	400	400	450	...	450
Requests Closed.....	196	275	320	308	(9)	299
Requests Pending, End of Year.....	413	538	618	760		769
Foreign Legal Assistance:						
Requests Pending, Beginning of Year..	645	962	1,112	1,212		1,212
Requests Received.....	600	500	550	600	...	600
Requests Closed.....	283	350	450	433	(12)	421
Requests Pending, End of Year.....	962	1,112	1,212	1,379		1,391

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
U.S. Legal Assistance (Exclusive of OCDETF Related Requests):						
Requests Pending, Beginning of Year..	591	720	860	960		960
Requests Received.....	466	320	350	375	...	375
Requests Closed.....	337	180	250	241	(7)	234
Requests Pending, End of Year.....	720	860	960	1,094		1,101

The current Office of International Affairs workload data reflects a high percentage of matters and cases pending because some fugitives have not been located and interim legal proceedings have not been concluded. The demand for the United States to effect relations with law enforcement authorities in foreign countries prompted the Division to seek resources to increase the size of the Office of International Affairs. The Office's attorneys handled more than 2,000 international cases in FY 1992. The bulk of the work involves narcotics and fraud, including savings and loan cases; however, homicides and other violent crimes comprise a significant portion of the extradition caseload. OIA's lawyers specialize in dealing with a particular country or group of countries. Many are former prosecutors who speak the language(s) of the countries with which they deal, and some have lived and studied overseas. They use their talents to bridge the gap between the needs and concerns of federal and state prosecutors, whose cases often rely on evidence from abroad. OIA guides prosecutors through the complex process of extraditing fugitives, advises the Attorney General on international matters affecting criminal law, serves as the Department's primary negotiator on law enforcement treaties, and works closely with the Departments of State and Treasury, Interpol and other agencies on the growing number of criminal cases that have international implications.

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Internal Security Matters:						
Pending, beginning of year.....	250	310	380	450		450
Opened.....	310	330	330	318	...	318
Closed.....	250	260	260	260	(7)	253
Pending, end of year.....	310	380	450	508		515
Internal Security Cases (lead prosecution):						
Pending, beginning of year.....	52	61	70	79		79
Opened.....	44	48	48	46	...	46
Closed.....	35	39	39	39	(1)	38
Pending, end of year.....	61	70	79	86		87

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Disposition of defendants in Internal Security cases litigated:						
Convictions	37	43	47	45	...	45
Acquittals/dismissals	8	10	11	11	...	11
Other dispositions (transfers to U.S. Attorneys, deaths)	1	3	5	5	...	5
Office of Special Investigations Matters:						
Pending, beginning of year	452	421	360	340		340
Opened	43	41	50	48	...	48
Closed	74	102	70	70	(3)	67
Pending, end of year	421	360	340	318		321
Office of Special Investigations Cases (lead prosecution):						
Pending, beginning of year	19	25	21	21		21
Opened	14	6	8	8	...	8
Closed	8	10	8	7	...	7
Pending, end of year	25	21	21	22		22
Disposition of defendants in Office of Special Investigations cases litigated:						
Convictions	5	9	7	7	...	7
Acquittals/dismissals	1	1	0	0	...	0
Other dispositions (transfers to U.S. Attorneys, deaths)	2	0	1	0	...	0
Terrorism & Violent Crime matters:						
Pending, beginning of year	9	19	8	10		10
Opened	14	4	12	12	...	12
Closed	4	15	10	10	...	10
Pending, end of year	19	8	10	12		12

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Terrorism & Violent Crime Cases:						
Pending, beginning of year	14	16	19	22		22
Opened	6	8	8	8	...	8
Closed	4	5	5	6	...	6
Pending, end of year	16	19	22	24		24
Disposition of defendants in Terrorism & Violent Crime cases litigated:						
Convictions	10	8	...	...	...	...
Acquittals/dismissals	1	4	...	...	...	...
Other dispositions (transfers to U.S. Attorneys, deaths)	...	...	...	...	...	...

Estimates by budget activity	1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Matters												
Litigation Support	146	150	$15,022	145	149	$15,347	142	146	$14,995	(3)	(3)	($352)

The program changes listed above are explained in detail in the Justification of Multi-Activity Program Changes exhibit located on the last page of this narrative.

Long Range Goal: To secure appellate judicial decisions in criminal cases favorable to the United States, implement forfeiture laws as a means of disrupting criminal activities, and to provide central coordination for electronic surveillance and witness protection.

Major Objectives:

Appellate Section

To assist the Solicitor General by preparing draft briefs in opposition, merits briefs, and petitions for certiorari. The Appellate Section also screens certiorari petitions to determine whether the government should waive its right to file a response.

To assist United States Attorneys by presenting oral arguments and writing briefs, rehearing petitions, and mandamus petitions in the courts of appeals.

To assist in determining whether further review should be sought when decisions are adverse to the Government.

To advise the Assistant Attorney General on issues of law and policy and to provide any other requested assistance, including participating in sensitive district court litigation.

Asset Forfeiture Office

To provide all federal prosecutors and law enforcement agencies with sound legal and strategic advice regarding domestic and international forfeiture matters.

To provide forfeiture advice and counsel to the Executive Office for Asset Forfeiture of the Deputy Attorney General's Office and the Assistant Attorney General for the Criminal Division including recommendations on appeals in all judicial forfeiture cases.

To develop and recommend forfeiture litigation and program management policy to the Executive Office for Asset Forfeiture and the Assistant Attorney General.

To provide an available corps of litigators to handle forfeiture cases when needed but most particularly in cases with nationwide scope or significance.

To provide domestic and international forfeiture training to Assistant United States Attorneys and federal, state, local, and foreign law enforcement officials.

To publish materials to assist in the investigation and prosecution of forfeiture actions, and to promote communication between components of the asset forfeiture program through these publications and regional component meetings.

To handle all equitable sharing requests in judicial forfeiture cases and to make recommendations to the Deputy Attorney General on equitable sharing requests in all cases with $1,000,000 in assets and in all cases involving transfers of real property; to make recommendations to the Attorney General in all cases involving transfers of assets to foreign governments; and to provide advice and policy guidance to United States Attorneys' Offices and law enforcement agencies on equitable sharing matters.

To decide all petitions for remission or mitigation in judicial forfeiture actions and to provide advice on how to make restitution to victims from forfeited assets.

To review and/or approve certain sensitive actions by United States Attorneys' Offices in forfeiture litigation to insure

program integrity and compliance with Department policy.

To negotiate sharing agreements with foreign governments in conjunction with the Office of International Affairs and to otherwise take steps to promote cooperation in forfeiture matters between the United States and foreign governments.

Office of Enforcement Operations

To review and make expeditious recommendations to the Assistant Attorney General for authorization to conduct all federal electronic surveillance, pursuant to 18 U.S.C 2518; comment upon and prepare government responses to suppression motions on electronic surveillance issues; provide training to United States Attorneys' Offices and investigative agencies in electronic surveillance matters; and provide legal advice and analysis on all electronic surveillance and related technical and telecommunications issues.

To make prompt authorizations or denials of persons into the Federal Witness Security Program, pursuant to 18 U.S.C. 3521; coordinate and administer a variety of complex and highly sensitive matters relating to all aspects of this Program; provide training to United States Attorneys' Offices and investigative agencies in Witness Security matters; provide legal advice and analysis in all Witness security issues; review requests from federal agencies to use prisoners for investigative purposes; monitor information about threats; debrief protective witnesses who have completed testimony for which they entered the program; and serve as ombudsman for all participants in this Program.

To approve or deny all applications for the transfer of prisoners, both into and out of the United States, under the provisions of the International Prisoner Transfer Program; and coordinate all such transfers with the appropriate federal agencies, state agencies and foreign governments.

To provide advice and guidance to the Assistant Attorney General, United States Attorneys, Administrative agencies and Congress on all issues relating to the Use Immunity Statute (18 U.S.C. 6001 et seq.) and the Fifth Amendment privilege against self-incrimination, and to review and make recommendations on requests to immunize witnesses before federal courts, grand juries, administrative agencies and Congress.

To advise and assist the Assistant Attorney General and United States Attorneys' Offices on issues relating to the attorney client privilege, and to review and make recommendations to the Assistant Attorney General on requests to subpoena attorneys in matters relating to the representation of clients.

To efficiently review requests for the myriad of litigation support functions vested in the Legal Support Unit.

To coordinate responses to Freedom of Information Act and Privacy Act requests pertaining to Criminal Division records.

Base Program and Description:

Appellate Section

The Appellate Section performs three principal functions. First, Section attorneys brief and argue cases in the courts of appeals. In Fiscal Year 1992, they filed approximately 180 briefs in the circuit courts. This number is lower than usual because four section attorneys were detailed this year to special assignments (Demjanjuk and BNL) and were not able to handle their typical load of court of appeals cases. Second, Section attorneys prepare draft Supreme Court merits briefs, certiorari petitions, and briefs in opposition to certiorari for review by the Solicitor General. The number of Supreme Court filings remains constant at around 500 per year. Third, the Section's 22 attorneys write approximately 1400 adverse decision memoranda per year. Whenever the government loses a criminal case in either a district court or in a court of appeals, the Division must review the decision and recommend to the Solicitor General whether the government should appeal or seek rehearing en banc or certiorari, as appropriate. The Appellate Section drafts the Division's recommendations and submits them to the Solicitor General under the signature of the Assistant Attorney General.

In addition to these principal tasks, the Section gives legal advice to the Assistant Attorney General and to attorneys in the field. Also, the Section reviews approximately 2,000 criminal certiorari petitions each year, and, in conjunction with the Solicitor General, decides which petitions merit a response. And during the past year, the Section had primary responsibility for an evidentiary hearing before a Special Master appointed by the United States Court of Appeals for the Sixth Circuit.

Asset Forfeiture Office

The Asset Forfeiture Office (AFO) staff is divided into five basic groups: the Litigation Unit, the International Staff, the Training and Publications Staff, the Policy and Legal Advice Staff, and the Equitable Sharing and Remission Petition Staff. AFO is responsible for the conduct of civil and criminal asset forfeiture litigation. AFO develops policies which incorporate asset forfeiture into an overall law enforcement program and which improve the existing practices regarding the management of seized and forfeited assets. Forfeitures are an important part of law enforcement because forfeiture allows the Government to confiscate property that law breakers use to commit crimes (i.e., the airplanes and boats they use to smuggle narcotics into the country and the cash they use to buy drugs for resale). By removing this working capital from criminals, forfeitures make it more difficult for lawbreakers to operate. By seizing the fruits of crime (i.e., the stocks and bonds purchased with money traceable to drug sales or a business acquired by a pattern of racketeering activity), forfeitures further deter lawbreaking by taking the profit out of crime. Forfeiting criminal profits also promotes justice because criminals should not grow rich from their violations.

To the extent forfeiture is becoming increasingly available for white collar crime, forfeiture helps secure restitution for victims of crime as well.

Office of Enforcement Operations

The function of the Office of Enforcement Operations (OEO) is to oversee, within the constraints of law and Department

policy, the effective use of the most sophisticated investigative tools at the Department's disposal -- including electronic surveillance, witness security and relocation, threats on prosecutors, covert activities involving federal prisoners and protected witnesses, and authorization of witness immunity. The Office is also organized to provide the United States Attorneys' Offices and the various components of the Criminal Division with a wide range of litigative assistance and prosecutive support. Its functions are as follows:

(1) Electronic Surveillance. The Office reviews all requests for electronic surveillance pursuant to 18 U.S.C. 2510 et seq., in federal investigations and recommends approval or disapproval to the Assistant Attorney General. In addition, OEO attorneys provide training, legal and policy advice and litigation assistance on electronic surveillance and related telecommunications matters to the U.S. Attorneys' Offices and federal law enforcement agencies, and perform a myriad of other functions relating to coordination and implementation of electronic surveillance law and policy in federal investigations.

(2) The Assistant Attorney General of the Criminal Division has delegated to the Office of Enforcement Operations final decision authority for the following activities:

a. Witness Security and Relocation. The Office is responsible for approving or disapproving all requests for Witness Security Program (WSP) services, and coordinating all activities among the various components and agencies relating to the WSP, including coordinating all movements and activities of the witnesses, acting as ombudsman for all concerns, and serving as principal advisor to the Bureau of Prisons, the United States Marshals Service (USMS), and others on Program issues.

The Office, in conjunction with the USMS, administers the ongoing pilot Short-Term Protection Program (STPP), a joint effort with the United States Attorney's Office (USAO), District of Columbia, and the Metropolitan Police Department, to respond to the need for protection of witnesses against street gangs and the violence and danger they pose. The STPP does not provide a new identity to the witnesses nor does it provide some of the other long-term full services.

In addition, the OEO in connection with the Limited Services Protection Program authorizes and resolves witness problems outside of the District of Columbia. This program, like the STPP, does not require the full relocation component of the Witness Security Program.

The Witness Debriefing Program will provide for debriefing of certain federal witnesses to provide law enforcement with the full range of the witness' knowledge of criminal activity, outside the scope of the case(s) for which the witness entered the program.

b. Threats on Prosecutors. The Office monitors information about, and coordinates, all matters relating to threats made on federal prosecutors and Criminal Division personnel including authorizing protection by the USMS, if warranted. The Office also authorizes the expenditure of USAO funds to temporarily relocate threatened federal prosecutors and their families.

c. Consensual Surveillance. The Office approves consensual electronic surveillance of face to face conversations requested by federal investigative agencies in criminal investigations involving certain designated sensitive cases.

d. Video Surveillance. The Office reviews and approves all requests from federal investigative agencies to engage in consensual closed circuit television during investigations and authorizes the seeking of court orders for the use of closed circuit television in non-consensual situations in which a right to privacy is present.

e. International Prisoner Transfer. The Office reviews and approves or disapproves requests for the transfer of American prisoners from foreign countries to the United States for service of their sentences, as well as requests for the transfer of foreign prisoners from American prisons to their own countries. This activity is mandated by treaties and authorized pursuant to 18 U.S.C. 4100-4115.

f. Covert Activities Involving Federal Prisoners and Protected Witnesses. The Office reviews and approves, when appropriate, all requests from investigative agencies to use federal prisoners and present and former protected witnesses in an undercover capacity; and, in the case of prisoners, makes the appropriate recommendation to the Director of the Bureau of Prisons.

g. Victims Compensation Program. The Office implements the Victims Compensation Program created by 18 U.S.C. 3525, which provides for federal compensation of persons injured, emotionally or physically, or killed by a participant in the WSP during the commission of a crime.

h. Hypnosis. The Office reviews and approves or disapproves all requests to hypnotize witnesses in federal investigations.

(3) Immunities. The Office provides advice to the Assistant Attorney General, United States Attorneys, Administrative agencies and Congress on all issues relating to immunity under the statute (18 U.S.C. 6001 et seq.) and the Fifth Amendment, including non-statutory, or informal, immunity. The Office reviews all immunity requests under the statute and makes recommendations to the Assistant Attorney General of the Criminal Division on all requests on matters assigned to the Division. Finally, the Office maintains the Government's records on all immunities under the statute.

(4) Alias Passports. The Office authorizes the use of "alias" passports in overseas undercover operations for all federal enforcement undercover agents except Federal Bureau of Investigation agents. After review, the Division requests issuance of the documents by the State Department for use in connection with the undercover investigations for specified time periods.

(5) Victim and Witness Assistance. The 1991 Attorney General Guidelines for Victim and Witness Assistance (Guidelines) established procedures to comply with the requirements of the Victim and Witness Protection Act of 1982 and the victims rights provisions contained in the Crime Control Act of 1990. During fiscal year 1993 the Office of Enforcement Operations was designated as Criminal Division Coordinator to ensure compliance with the guidelines by all Division components.

The Coordinator will review the Automated Case Tracking System (ACTS) weekly to determine what new matters and cases were recorded and are in need of victim-witness services, and make referrals to the corresponding USAO coordinator for every non-recusal case in the ACTS (with the exception of cases in which there is a recusal of the United States Attorney, victim-witness matters shall be handled by the USAO coordinators).

In addition, the Coordinator will coordinate with the victim-witness coordinators in the USAOs to ensure that victims and witnesses are accorded the rights and services (e.g., emergency medical and social service) set forth by the legislation and Guidelines, and handle the victim and witness activities directly when the USA recuses him or herself.

(6) Attorney Subpoenas. The Office provides advice to the Assistant Attorney General of the Criminal Division and to United States Attorneys' Offices on attorney-client issues, and reviews and makes recommendations to the Assistant Attorney General of the Criminal Division on all applications to subpoena attorneys in matters relating to the representation of clients. The Office maintains statistics for this program.

(7) Grand Jury Disclosure. Under Rule 6(e)(3)(c)(iv) of the Federal Rules of Criminal Procedure, the Office reviews, evaluates and makes recommendations to the Deputy Assistant Attorney General concerning all requests to disclose grand jury information obtained by a federal investigation to state or local investigators to assist them in their investigations.

(8) Press Subpoenas. Under 28 C.F.R. 50.10, in certain cases, the authorization of the Attorney General is required before a member of the news media may be subpoenaed, questioned, arrested, or indicted. The Office gives advice on the subject and reviews those requests made by United States Attorneys in criminal cases.

(9) Subpoenas to Department Employees. Pursuant to 28 C.F.R. 16.21, et seq., when a Department employee is subpoenaed or production of Department records is sought in a federal or state proceeding, authority must be granted for such testimony or production. The Office reviews and evaluates the circumstances to determine whether testimony should be given or production made, or a motion to quash should be filed.

(10) Dual Prosecution Policy. This Office provides advice to the Assistant Attorney General of the Criminal Division and to United States Attorneys' Offices on all issues arising under the Department's Petite or dual prosecution policy, and reviews and makes recommendations to the Assistant Attorney General on all requests raising such issues, including requests for a waiver of the policy.

(11) Electronic Surveillance Checks. A defendant may move pursuant to 18 U.S.C. 3504 for a check as to whether he has been the subject of unlawful electronic surveillance. The Office processes all such requests and obtains responses from the appropriate investigative agencies.

(12) Right to Financial Privacy Act. Under 12 U.S.C. 3402, et seq., the government may obtain financial records from a financial institution after complying with the procedures of the Right to Financial Privacy Act. The Office supervises implementation of the Act and advises on its procedures.

(13) Third Party Searches. Under 28 C.F.R. 59, a disinterested third party physician, lawyer, or clergyman cannot be the subject of a search warrant in a criminal case without the authorization of a Deputy Assistant Attorney General. The Office gives advice on the subject and reviews such search requests.

(14) Tax Disclosure. The Office give advice government-wide and processes requests by Criminal Division components for access to income tax returns and return information in non-tax cases under 26 U.S.C. 6103(i)(1) and (2).

(15) Court Closings. Under 28 C.F.R. 50.9, no Department attorney can move for, or acquiesce in, the closing of a court proceeding without the approval of either the Deputy or Associate Attorney General. The Office gives advice on the question of the court closing regulations and reviews requests on the subject from United States Attorneys in criminal cases.

(16) Designation of Investigative Agents as Deputy United States Marshals. The Office reviews all requests from federal investigative agencies for appointment of individual agents as Deputy United States Marshals (affording them law enforcement powers) and recommends approval or disapproval.

(17) Legislative Files. The Office maintains files on all responses made by the Criminal Division on proposed legislation pending in Congress relating to criminal law matters.

(18) Legislative Histories. The Office maintains and does research for the United States Attorneys' Offices, when requested, in legislative histories. The histories are compiled for certain criminal statutes dating back to 1789. The Office has legislative histories for most criminal statutes beginning in 1940, and continuing through the present.

(19) Gambling Registration. The Office registers all manufacturers, repairers or sellers of certain gambling machines pursuant to the Gambling Devices Act of 1962, 15 U.S.C. 1771, et seq.

(20) Pre-Trial Diversion. The Office is responsible for responding to all inquiries from United States Attorneys' Offices about the Department's pre-trial diversion program pursuant to USAM 9-22.000 et seq.

(21) Resubpoenaing Contumacious Witnesses Before Successive Grand Juries. The Office reviews and makes recommendations to the Assistant Attorney General for the Criminal Division on requests to subpoena witnesses before another grand jury where such witnesses have already been held in contempt for refusing to testify.

(22) Approval to Resubmit the Same Matter to a Grand Jury. The Office is responsible for reviewing and making recommendations to the Assistant Attorney General for the Criminal Division to resubmit to a grand jury a matter that was previously the subject of a no bill.

(23) Multi-District (Global) Agreement Requests. This Office assists United States Attorneys' Offices in arranging for multi-district non-prosecution agreements and reviews and makes recommendations to the Assistant Attorney General on requests to approve of such agreements.

(24) Prosecution of Previously Immunized Witnesses. This Office advises United States Attorneys on all matters pertaining to Kastigar hearings and prepares requests for the Attorney General to prosecute such witnesses.

(25) Freedom of Information/Privacy Act. The Freedom of Information/Privacy Act Unit processes and responds to all requests under these two statutes for access to Criminal Division records. This activity is mandated by 5 U.S.C. 552 and 5 U.S.C. 552a. The Unit also handles special projects for the Criminal Division such as responding to the President John F. Kennedy Assassination Records Collection Act of 1992.

Accomplishments:

Appellate Section

Since 1992, the Appellate Section has prepared briefs in the courts of appeals and the Supreme Court on many important and recurring issues. For example, the Section has taken the lead in litigation over imposition of the death penalty in federal court. In United States v. Chandler, 996 F.2d 1073 (11th Cir. 1993), the Section handled the appeal of the first death sentence imposed under the 1988 statute authorizing the death penalty for murders committed during the course of certain drug-related offenses. The Eleventh Circuit affirmed the death sentence in a landmark decision and resolved in the government's favor several important issues of first impression.

In addition, the Section has handled several cases before en banc courts on the issue whether courts sentencing a defendant under recidivist sentencing provisions may inquire into the validity of the defendant's prior convictions. In United States v. McGlocklin, 8 F.3d 1037 (6th Cir. 1993), the en banc court concluded that district courts have discretion to consider collateral attacks only in a very narrow range of cases. In United States v. Roman, 989 F.2d 1117 (11th Cir. 1993), the Section's brief convinced the Eleventh Circuit to hold that the Sentencing Guidelines do not allow a defendant to challenge a prior state conviction for the first time at a federal sentencing hearing. A Section attorney also prepared the draft Supreme Court brief in United States v. Custis, No. 93-5209, a case that presents the issue in the context of the Armed Career Criminal Act. Also, the Section has provided sample briefs and other support on this issue to numerous United States Attorneys.

The Appellate Section obtained rehearing en banc in a Fifth Circuit case, United States v. Rodriguez-Rios, No. 92-8257, which presents an issue concerning the scope of the "exculpatory no" doctrine -- a judicially created exception to the false statements statute, 18 U.S.C. 1001, for those cases in which a defendant has given a simple negative response to a question by government agents. The Section argued that a defendant's affirmative false statements about how much money he was carrying when questioned at the border by Customs agents do not fall within the exculpatory no doctrine, and that that the doctrine should be limited to simple denials of guilt. The Section also persuaded the Ninth Circuit to grant rehearing en banc in United States v. Gaudin, No. 90-30334, and to reconsider its rule that materiality is a jury question in a false statement prosecution (18 U.S.C. 1001). Finally, in United States v. McRee, 7 F.3d 976 (11th Cir. 1993) (en banc), a Section attorney successfully argued that the proceeds of an erroneously issued IRS refund check represented government property for purposes of criminal prosecution under 18 U.S.C. 641, which prohibits the conversion of government property.

Other significant court of appeals cases handled by the Section include an appeal by the convicted murderer of Eleventh Circuit Judge Vance of an obstruction of justice conviction, United States v. Moody, 977 F.2d 1420 (11th Cir. 1992), and an appeal by one of the murderers of DEA Agent Enrique Camarena, United States v. Matta-Ballesteros, No. 90-50053 (9th Cir.). Also, in United States v. Faulkner, No. 92-8037 (5th Cir.), the Section handled the appeal in one of Texas's largest bank fraud cases, in which the defendants and others repeatedly "flipped" numerous parcels of land, grossly inflated land prices, and obtained land and construction loans from several local savings and loan institutions. These institutions eventually failed as a result.

The Section has prepared draft briefs in the following cases that will be decided this term by the Supreme Court: Posters 'N' Things, Ltd. v. United States, No. 92-903 (constitutionality and construction of drug paraphernalia statute, 18 U.S.C. 857); United States v. Staples, No. 92-1441 (whether statute punishing possession of unregistered machinegun requires proof that defendant knew that firearm was, in fact, a machinegun); United States v. Granderson, No. 92-1662 (statutory construction of 18 U.S.C. 3565(a), which requires the imposition of a sentence of "not less than one-third of the original sentence" when probation is revoked because of possession of a controlled substance); National Organization for Women v. Scheidler, No. 92-780 (whether the RICO statute requires proof of economic motivation); Ratzlaf v. United States, No. 92-1196 (whether the structured currency transaction statute, 31 U.S.C. 5324(3), requires proof that the defendant knew that it was unlawful to structure currency transaction in order to evade federal reporting requirements); Liteky v. United States, No. 92-6921 (whether a district court's evidentiary and procedural rulings in a case can constitute grounds requiring recusal under 28 U.S.C. 455); United States v. Nichols, No. 93-523 (whether the district court violated the Constitution by considering the defendant's prior uncounseled misdemeanor conviction in determining his criminal history score under the Sentencing Guidelines); United States v. Shannon, No. 92-8346 (whether the district court was required to give the defendant's requested jury instruction on the effect of a verdict of not guilty by reason of insanity). The Section also prepared draft certiorari petitions in two pending cases: United States v. X-Citement Video, Inc., No. 93-723 (whether the child pornography statute, 18 U.S.C. 2252, is unconstitutional on its face on the ground that it does not require the government to prove that the defendant knew that the materials at issue show minors engaging in sexually explicit acts); United States v. Shabani, No. 93-981 (whether the drug conspiracy statute, 21 U.S.C. 846, requires proof of an overt act).

Finally, this past year the Section had principal responsibility for handling a proceeding before a special master to determine whether government attorneys committed fraud on the court during the denaturalization, deportation, and extradition proceedings against accused Nazi war criminal John Demjanjuk. After nine months of hearings, the special master found that the government attorneys were principled and honest and conducted the litigation in good faith. He further found that every allegation of fraud was without merit. The court of appeals adopted the Special Master's findings, but nevertheless held that the government attorneys committed fraud under an objective standard. The Section has filed a petition seeking en banc review of that decision. On the same day, the Section also filed a motion to reopen the denaturalization judgment in the United States District Court for the Northern District of Ohio.

Asset Forfeiture Office

The following are some major accomplishments of the Asset Forfeiture Office (AFO):

o BCCI Forfeiture Litigation. The Asset Forfeiture Office has exclusive responsibility for the forfeiture aspects of the BCCI litigation since the U.S. District Court in the District of Columbia, in January 1992, ordered the Bank of Credit and Commerce International (BCCI) to forfeit all of its assets in the United States. As of the end of FY 1993, the District Court has issued three Orders of Forfeiture giving the United States title to assets with a total face value of $552 million. To date, 109 claims by banks and other entities have been filed in the ancillary proceedings in response to the first two orders, and more are anticipated to be filed in response to the third order and any subsequent orders that are issued. Each claim represents a distinct case filed by the various third party claimants asserting an interest in the forfeited BCCI asset. These claims generally involve complex banking and commercial law issues. Each claim must be carefully analyzed, researched, and variously grouped by the legitimacy and priority of the legal interests asserted. Initial determinations must then be made as to whether settlement should be pursued, and whether there are grounds for summary dismissal of the claim. To accomplish this, a substantial number of financial records have to be examined. The government has filed motions to dismiss almost all of the claims filed to date and has been successful in all that have been litigated to date, but 46 claims, and four appeals from dismissals, remained pending at the end of FY 1993. A fourth round of orders and claims will begin whenever surplus assets from liquidation of BCCI S.A. New York are made available by the New York Superintendent of Banks. AFO will also seek the forfeiture of BCCI's share of the proceeds of the $453 million sale of the stock of First American Bank some time in 1994. The litigation of the various claims, which will include lengthy hearings in some cases, and the litigation in respect to the identification and seizure of additional assets, will continue through FY 1995.

o Operation Polar Cap V. Operation Polar Cap V is a nationwide money laundering investigation, in which 33 bank accounts were seized for forfeiture. Most of these cases involve foreign claimants and interests, adding more complexity to the already difficult financial analysis required to litigate each case. Of these cases, thirty had been concluded by the end of FY 1993, most of them favorably. Based upon the average length of civil forfeiture litigation in the Southern District of Florida, litigation of the remaining cases is expected to last through FY 1994. Additional criminal case forfeiture orders are expected in the next two years as the remaining Polar Cap V defendants are prosecuted.

o Operation Disconnect. In FY 1993, the Asset Forfeiture Office assumed primary litigation responsibility in a number of civil forfeiture cases against bank accounts in "Operation Disconnect," the national telemarketing fraud/money laundering law enforcement investigation. There are an estimated 50,000 victims in this case who may petition for remission from the $5 million in assets which could be forfeited.

o Training and Publications. In FY 1993, the Asset Forfeiture Office organized and conducted 12 domestic and international training conferences with 100 to 240 students attending per conference. Included in these training conferences, were three regional meetings of representatives of all federal agencies involved in the forfeiture program at which issues concerning program administration and policy were discussed. An equivalent level of activity is anticipated in FYs 1994 and 1995. Additionally, the Training and Publications Unit prepares two monthly and ten special publications on behalf of the Office.

In FY 1993, the Asset Forfeiture Office also published a completely revised three volume edition of the Asset Forfeiture Manual which was distributed to over 2,500 Assistant United States Attorneys, federal law enforcement officials, and other

individuals interested in the forfeiture program. The new Manual contained a compendium of all policy directives issued by the Department in respect to the forfeiture program. It was published in such a manner as to make it easily updated, which will be done in the future on an annual basis.

o International Forfeiture. It is expected that the Asset Forfeiture Office's international forfeiture activities will continue to expand in FY 1995. In international sharing matters in FY 1993, the Office obtained authorization to transfer over $12.7 million forfeited under United States law to 6 countries that cooperated in the underlying cases. Addtionally, the United States received $884,742 from Switzerland and $570,616 from the United Kingdon in May 1993 signifying our contribtion to foreign forfeiture cases in those countries. These transfers constituted the first two occasions in which foreign governments shared forfeited assets with the United States. The Asset Forfeiture Office also continues to work through the Office of International Affairs (OIA) to negotiate standing and case-specific agreements with foreign countries addressing bilateral forfeiture cooperation and asset sharing. For example, in FY 1992, the two Offices reached an understanding with the Swiss authorities for the repatriation from Switzerland of over $22 million for civil forfeiture in the United States. In FY 1993, the Office, in conjunction with the State Department and the Office of International Affairs, successfully negotiated formal reciprocal asset sharing agreements with the Kingdom of the Netherlands (including the Netherlands Antilles) and the Cayman Islands, and continued to negotiate to reach similar agreements with several other countries. Finally, the Office continues to sponsor forfeiture conferences that are attended by United States and foreign officials with forfeiture responsibilities. In FY 1992, AFO sponsored two such conferences with the Canadian Department of Justice and a third with the United Kingdom and the Dependent Territories. An international forfeiture conference was held in FY 1993 with Switzerland, and one such conference is planned for FY 1994 and two are planned for FY 1995 with other countries.

o In FY 1993, the Asset Forfeiture Office, at the direction of the Office of the Deputy Attorney General, assumed responsibility for operating a computer accessible directory or bank containing hundreds, and eventually thousands, of legal pleadings, motions, and briefs on a wide variety of issues for use in civil and criminal asset forfeiture cases. This new project is a major responsibility for the Office as it requires careful screening and correction of proposed submissions as well as close monitoring to insure that its contents remain current, correct, and sufficiently comprehensive to be useful to Assistant United States Attorneys around the country in litigating forfeiture cases.

Office of Enforcement Operations

The Electronic Surveillance Branch's workload has continued to increase dramatically. In FY 1991, the Branch reviewed 683 requests to conduct electronic surveillance; in FY 1992, the number increased to 987, and it is likely that in FY 1995 the Branch will receive as many as 1,250 requests. With the Department's continued emphasis on white collar crime, drug enforcement, asset forfeiture, organized crime, and terrorism and violent crime, the workload in this Branch will increase even more in FY 1995. These increases, combined with the passage of the Electronic Communications Privacy Act of 1986 (ECPA) and the enormous growth in the use high-tech telecommunications, have generated significantly more activity in all areas of the Branch's responsibility.

In addition to reviewing all pleadings in support of electronic surveillance orders in federal criminal investigations and making recommendations to the Assistant Attorney General of the Criminal Division concerning the approval or denial of each electronic surveillance request, the Branch comments on and assists in preparing briefs and responses to suppression motions in electronic surveillance cases; reviews and approves pleadings in support of video surveillance orders; reviews and approves requests for consensual monitoring; provides litigation support and legal advice on electronic surveillance matters to the United States Attorneys' Offices, Criminal Division litigating sections, and federal law enforcement agencies; formulates policy on electronic surveillance issues in the area of developing telecommunication; coordinates electronic surveillance in multi-district, complex investigations; reviews and makes recommendations regarding requests for disclosure of electronic surveillance information for use in civil forfeiture cases; reviews proposed legislation and responds to Congressional inquiries regarding electronic surveillance; chairs two ongoing working groups: the Technology Working Group and the Legal Advisor's Working Group, which meet regularly to discuss issues involving sophisticated telecommunications developments and multi-district electronic surveillance-based investigations; serves as the liaison between the Criminal Division and other Justice Department components and other agencies on all matters involving the use of electronic surveillance for law enforcement purposes; coordinates the implementation of the ECPA with all United States Attorneys' Offices, federal law enforcement agencies, state and local legislators and law enforcement authorities; conducts on-site training for federal law enforcement authorities; supervises inmate telephone monitoring programs in the Bureau of Prisons; prepares annual reports to Congress; and is preparing the second volume of a comprehensive procedural manual on the use of electronic surveillance in federal investigations.

The Witness Security Branch (WSB) makes the final decision concerning whether a Witness Security Program (WSP) applicant will be admitted to the Program. This always has the potential to become a life and death decision; if a WSP applicant is not authorized for services, and subsequently provides valuable testimony to the government in a criminal case, (s)he and his or her family members may be subjected to violent retaliation, including death, by the defendant(s). If the applicant is denied Program services, the government will not be able to present the strongest case and will risk losing the prosecution. Therefore, the WSB must weigh each application very carefully, taking into account the consequences of placing, or not placing, witnesses and family members in the WSP, while remaining constantly aware of the Division and Department priorities and the limited resources of all components whose budgets are impacted by the WSP.

Since the inception of the WSP in 1972, there have been 6,271 primary program participants along with 7,839 family members by the end of fiscal year 1993. The WSP is widely recognized as one of the most successful tools ever devised for use against complex, highly sophisticated organized crime. No participant who has followed WSP guidelines has been killed or seriously injured in the 22 years the program has existed. In FY 1992, the WSB authorized a total of 244 primary witnesses to participate in the federal WSP and reviewed, analyzed, and made recommendations concerning 4,659 witness security matters. It also reviewed approximately 300 prisoner investigative requests. This resulted in over 250 authorizations given to investigative agencies to utilize federal prisoners in undercover investigations.

The Witness Security Branch's workload continues to increase significantly each year. The Branch reviewed and handled 5,962 witness security matters in FY 1993. This is a <u>28 percent increase</u> over similar matters in FY 1992. One reason for this increase is that as the Program continues to grow, the client base becomes increasingly larger, resulting in even more

demands on the Branch's staff and other resources. During FY 1994 the number of witnesses authorized into the Program will increase over the number of witnesses authorized in FY 1993. The Program continues to evolve in new directions in line with the Department's additional priorities. Whereas the Program historically has dealt with witnesses against traditional organized crime, it is expanding its focus to other groups, while at the same time continuing to provide one of the government's most effective weapons ever in the fight against the La Cosa Nostra. One initiative has been the Short Term Protection Program, a pilot program developed in FY 1992 in conjunction with the District of Columbia's United States Attorney's Office. This pilot was designed to respond to the need for protection of witnesses against street gang members and the violence and danger they pose. During FY 1993, the Branch has expanded a modified version of the pilot nationwide, primarily to meet the challenges of protecting witnesses in such matters as Weed and Seed type cases, and violence related cases.

In FY 1993, the International Prisoner Transfer Unit (IPTU) approved and arranged for the transfer of 239 prisoners to or from the United States. There were three transfers with Mexico, five with Canada, two with Panama, three with the Netherlands four with the United Kingdom, four with the Bahamas, two with Bolivia, and one each with Hong Kong, Thailand, Italy, Gibraltar, Switzerland, Peru, Denmark, Spain, and Austria. The IPTU developed an outreach program to re-advise federal inmates about the International Prisoner Transfer Program, and in FY 1994, as many as 8,000 letters were disseminated to prisoners. These letters have generated more than 3,000 requests to be reviewed for transfer by December 1993, and additional requests are continuing to come in.

The Witness Immunity Unit processed requests for over 4,000 witnesses in FY 1993. In addition the Unit administered the Department's attorney subpoena program, which in FY 1992 processed 656 such requests involving 975 attorneys.

In FY 1993, the Legal Support Unit's workload increased in a number of significant areas. The number of press subpoena requests increased 25 percent over FY 1991; requests for approval to close judicial proceedings increased 38 percent over FY 1991; grand jury disclosure requests increased 33 percent in FY 1992; subpoenas to Department employees grew 12 percent in FY 1992; and requests for Division approval to conduct third party searches increased by 30 percent in FY 1992. The workload in the other diverse areas handled by the Unit also increased in FY 1992.

The Freedom of Information and Privacy Act Unit has no control over the office caseload. That is determined solely by the number of requests submitted by the public. The requests fluctuate greatly during the year, but the trend is fairly consistent.

The Gambling Registration Unit has had a caseload increase of approximately 30% with regard to the Gambling Device Act of 1962 since fiscal year 1990. States have amended their gambling laws which require more persons or entitles to register. Federal law has been enacted pertaining to gambling on cruise ships and gambling on Indian reservation. So far in FY 1993, the Unit has handled over 300 telephone inquiries from registrants and has responded to over 1700 written requests for registration and the trend is likely to continue.

Workload: (Some 1992 actual workload data has been revised since the 1994 Congressional Budget to reflect a more accurate picture of the Criminal Division's workload)

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Appellate Section						
Supreme Court:						
Briefs in opposition	471	491	500	550	...	550
Waiver of responses	1,487	1,674	1,700	1,800	...	1,800
Merit briefs and certiorari petitions	34	34	34	34	...	34
Court of Appeals:						
Briefs and Petitions	200	180*	200	200	...	200
Adverse Decision Memoranda	1,400	1,265	1,300	1,300	...	1,300

*
The drop in court of appeals cases in 1993 was due to the detailing of four Section attorneys to the Demjanjuk and BNL cases and is an aberration.

Asset Forfeiture Office						
Supreme Court and Court of Appeals:						
Main and reply briefs, oral arguments, or rehearing and mandamus petitions	0	10	12	14	...	14
Adverse Decision Memoranda	-	60	65	70	...	70
Petitions for Remission or Mitigation of Forfeiture*						
Pending, beginning of year	60	30	50	55		55
Opened.....	200	170	225	250	...	250
Closed.....	230	150	220	245	(7)	238
Pending, end of year	30	50	55	60		67

* These could increase drastically under new regulations authorizing petitions by victims in forfeiture cases

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Asset Forfeiture Office:						
Legal Support Activity						
Miscellaneous (Approvals, Advice)	480	385	400	430	(18)	412
Offers in Compromise Reviewed	30	45	50	55	...	55
Review of Attorney Fee Matters	15	20	22	22	...	22
Training Seminars	14	12	12	12	...	12
Asset Forfeiture Office						
Forfeiture Cases (lead prosecutions):						
Pending, beginning of year	7	122	70	50		50
Opened.....	140	15	40	40	...	40
Closed.....	25	67	60	50	...	50
Pending, end of year.....	122	70	50	40		40
Asset Forfeiture Office						
Equitable Sharing Cases:						
Pending, beginning of year	2,897	3,628	4,677	5,136		5,136
Opened.....	2,339	2,574	2,400	2,400	...	2,400
Closed.....	1,608	1,525	1,900	1,900	(54)	1,846
Pending, end of year.....	3,628	4,677	5,136	5,636		5,690
Office of Enforcement Operations						
Title III Applications Reviewed	908	1,000	1,200	1,250	...	1,250
Consensual Wiretap Applications Reviewed	1,341	1,304	1,350	1,400	...	1,400
Video Monitoring Requests Reviewed	1,028	1,165	1,200	1,400	...	1,400
Title III Matters Reviewed	1,203	1,300	1,400	1,500	...	1,500
Witnesses Placed in Program (Cumulative, not including STPP)	6,014	6,271	6,430	6,660	...	6,660
Witnesses and Family Members Placed in Program (Cumulative, not including STPP)	13,535	14,110	14,724	15,357	...	15,357

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
Witness Security Ombudsman Matters Resolved	4,659	5,962	6,130	6,303	...	6,303
Witness Security Applications Reviewed						
Full Program Services & Limited Services Program	244	516	600	700	...	700
Short-Term Program (STPP)	44	29	90	130	...	130
Witnesses Authorized into Program						
Full Program Services & Limited Services Only - not STPP	227	265	310	363	...	363
Short-Term Program	35	27	50	50	...	50
Agency Requests to Use Prisoners in Investigative Activities Reviewed	300	431	456	480	...	480
Victim Compensation Matters Reviewed	...	5	500	500	...	500
Victim-Witness Assistance Matters Coordinated	...	1	265	300	...	300
Special Deputation Matters Reviewed	367	430	500	481	...	481
Witness Immunities issued	4,130	4,407	4,684	4,961	...	4,961
Requests for Subpoena of Attorneys	1,041	975	1,000	962	...	962
Prisoner Transfer Requests Reviewed	563	721	3,709	2,000	...	2,000
Prisoners Transferred	317	239	2,239	1,000	...	1,000
Prisoner Transfer Correspondence from prisoners, attorneys, and general public	...	119	200	200	...	200
Prisoner Transfer Congressional Inquiries	...	38	50	50	...	50
Gambling Registrations Reviewed	1,200	1,700	2,000	2,300	...	2,300
FOIA/PA Requests Received	1,322	1,250	1,300	1,350	...	1,350

Estimates by budget activity	1994 Appropriation Enacted			1995 Base			1996 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Matters												
Management and Administration	102	111	$10,557	101	110	$10,816	98	107	$10,534	(3)	(3)	($282)

The program changes listed above are explained in detail in the Justification of Multi-Activity Program Changes exhibit located on the last page of this narrative.

Long Range Goal: To guide the administration of federal criminal justice in an effective, fair and consistent manner.

Major Objectives:

Assistant Attorney General

To supervise the development and implementation of Department policy so as to assure an effective, fair and consistent administration of Federal criminal laws.

To establish priorities and provide general supervision on the national enforcement of Federal laws.

Office of Policy and Managment Analysis

To analyze policy and management issues related to criminal enforcement programs in order to identify and resolve problems.

Office of Administration

To develop and implement policies relating to the efficient administration of the Division.

To provide administrative services necessary to the operations of the Division.

Office of Legislation

To analyze all legislative proposals developed within the Congress and the Administration which affect either the substance or procedure of the Federal criminal justice system, and to furnish advice, as appropriate, on the probable effect of such proposals on Federal law enforcement.

Base Program Description:

Assistant Attorney General

The Office of the Assistant Attorney General carries out its policy-making, supervisory and liaison functions through the Assistant Attorney General, six Deputy Assistant Attorneys General, two Special Counsels, a Senior Counsel and support staff. Included in the Office of the Assistant Attorney General is the Office of Law Enforcement Coordination, which is assigned responsibility for staffing the Executive Working Group for Federal-State-Local Prosecutorial Relations; reviewing Federal district law enforcement plans; managing the Division's program to abolish concurrent jurisdiction enforcement lapses; supporting the Division's Crime Prevention Committee; overseeing the Division's involvement in regional Law Enforcement Coordinating Committees; and staffing other intergovernmental law enforcement management initiatives which were previously fragmented among several Division offices.

Office of Policy and Management Analysis

The Office of Policy and Management Analysis (OPMA) provides the Division with the analytical capabilities needed to perform program development, policy analysis, and management improvement functions. This Office conducts studies and recommends positions on policy and management issues of concern to the Assistant Attorney General and other decision makers in the Division and the Department. Many of the Office's projects are joint efforts with personnel from other components. The Office's professional staff includes analysts with expertise in public policy, business administration, criminology, economics, organizational behavior, program evaluation, information systems, research methods, and other related areas.

OPMA's major functions include:

- Analyzing policy and management issues, developing options, and recommending positions to top-level decision-makers in the Division and the Department on a wide variety of law enforcement and management issues;

- Evaluating existing law enforcement policies, programs, and management practices and recommending improvements;

- Assisting senior managers in developing and implementing new enforcement policies, criminal justice programs, and management initiatives;

- Conducting studies of major law enforcement issues, using information from research reports, government publications, statistical studies, field interviews, and other sources;

- Providing advice and technical assistance on a variety of issues, including the preparation of reports on Criminal Division activities; and

- Serving as the Division's liaison with agencies and institutions that conduct criminal justice research.

During FY 1993 and 1994, OPMA staff members have provided key analytic support to Criminal Division and Departmental managers in priority enforcement areas such as white collar crime, drugs, violent crime, and federal sentencing issues. The office is providing oversight and staff support to the design and administration of the Police Hiring Supplement Program. OPMA also handled various projects with national and international dimensions that address other criminal justice and management concerns.

Office of Administration

The Criminal Division's administrative services are provided by the Office of Administration. Eight operational components work closely with other organizational entities of the Criminal Division, the Department, and other Federal agencies, to ensure that the Division's administrative services are provided in an efficient, timely, and cost-effective manner. These components include the Executive Office; Management Information Staff; Personnel Programs Staff; Budget, Fiscal and Procurement Staff; Security Staff; Litigation Support Staff; Facilities Staff; Mail Management Staff; and the Correspondence and Records Staff.

Office of Legislation

The Office of Legislation draws upon expertise that spans the breadth of criminal law, as well as familiarity with Congressional organization, rules, and procedures to conduct the Division's relations with the legislative branch. The Office also draws upon its relations with the United States Sentencing Commission and the Judicial Conference's Advisory Committee on Criminal Rules. The Office works closely with the Department's Office of Legislative Affairs, Office of Policy Development, ranking officials of the Department and the Division, and the Federal investigative agencies.

The Office of Legislation is also involved in implementing, furnishing comments, and developing recommendations for amending the Sentencing Guidelines. The Office maintains frequent contact with the staff and members of the Sentencing Commission and attends its meetings.

Accomplishments and Workload:

Assistant Attorney General

The Office of the Assistant Attorney General continues to provide the Federal criminal justice system with national leadership, centralized coordination and effective direction. The role of the Assistant Attorney General (AAG) manifests itself mainly in communications imparted to other governmental entities and, by extension, to the public. The Assistant Attorney General represents the Criminal Division on proposals transmitted to the Congress, and presents the Division's position regarding the changes which are needed to improve the criminal justice system. The Assistant Attorney General assists the Supreme Court and Courts of Appeals in the enforcement of Federal laws and other constitutional and statutory interpretations of criminal law as it pertains to organized crime and white collar crime. Finally, the Assistant Attorney General communicates to other law enforcement executives (Federal and non-Federal), in speeches, meetings, and

correspondence on the most pressing problems facing the criminal justice system, and the means available through the law enforcement programs to address the emerging problems.

Office of Policy and Management Analysis

Police Hiring Supplement Program. Through the Police Hiring Task Force, managed the design of a $150 million discretionary grant program that will help pay the salaries and benefits of approximately 2,000 additional law enforcement officers across the country. The program represents the "down payment" on the President's pledge to increase the number of law enforcement officers on the streets. Currently overseeing the implementation of the program by the Bureau of Justice Assistance.

1994 Crime Bill. Providing research support to the Office of Policy Development on the policing subtitle of the 1994 crime bill, which would authorize creation of a multi-billion dollar program to help pay the salaries and benefits of additional law enforcement officers across the country. Analyzed crime data and violent crime trends, estimated the number of potential jurisdictions eligible to apply for funding, and developed scenarios for allocating funds based on populations of eligible jurisdictions.

Sentencing and Prison Overcrowding. Worked with the Deputy Attorney General's office, the Bureau of Prisons, the Executive Office for U.S. Attorneys, and the Narcotic and Dangerous Drug Section to develop options for modifying mandatory minimum sentencing legislation. Reviewed studies prepared by the U.S. Sentencing Commission and others on various sentencing-related topics. Also reviewed relevant literature on alternative sentencing, including evaluations of various programs in this area, and prepared an overview of alternative sentencing options for the Deputy Attorney General. Developed, with the Office of Legislation, an analysis of options for reducing prison overcrowding, including possible changes in prosecution and sentencing policies, as well as possible legislative changes. Assisted in planning and implementing a study of the characteristics of certain non-violent, low level drug offenders in the federal prison system.

Plea Bargaining. Working with the Sentencing Guidelines Subcommittee of the Attorney General's Advisory Committee, prepared several drafts of the Department's response to a critical study of plea practices developed by Commissioner Ilene H. Nagel and Professor Stephen J. Schulhofer. Also analyzed and evaluated the U.S. Attorneys' responses to a questionnaire concerning the use of substantial assistance pleadings.

Asian Organized Crime/Chinese Smuggling. Prepared an assessment that summarized the nature and magnitude of the problem. Helped formulate alternatives and wrote a briefing paper for the Deputy Attorney General. Assisted the Organized Crime Section to develop the Fuk Ching project that targets the primary alien smugglers and their organizations.

Chemical Action Task Force (CATF). Completed our work on CATF. OPMA served as the Secretariat of the multinational CATF, which was mandated by the 1990 Economic Summit participants to examine the problem of diversion of chemicals from legitimate commerce to illicit drug manufacture. The CATF, which met from 1990 through 1992, fulfilled its mission; the United Nations International Narcotics Control Board has now assumed the follow-up responsibilities.

European Community. Updated and revised a report on Law Enforcement in the European Community, and distributed it to Department officials in preparation for U.S. participation in the June 1993 meeting of the European Communities Trevi group.

Intelligence Community/Law Enforcement Relations. Prepared the first chapter of the Intelligence/Law Enforcement Task Force Report, which describes the history of, and context for, improving cooperation between the law enforcement and intelligence communities. Also provided staff assistance on this project.

Health Care Fraud. Provide staff support to the Health Care Fraud Working Group. In particular, assisted in preparing briefing materials on health care fraud enforcement issues for the President's Health Care Reform Task Force. Also, provided analytical support to the Working Group in its examination of the Medicare program's fraud detection capabilities. The Working Group advised HCFA of the Justice Department's concerns that the proposed plans to modernize Medicare claims payments may adversely affect fraud prevention and detection capabilities, as well as the evidentiary needs for prosecutions.

Insurance Fraud. Participate in the Insurance Fraud Working Group on an ongoing basis. Assisted in preparing two reports summarizing accomplishments under the Insurance Fraud Initiative, discussing problems in insurance fraud enforcement, and offering recommendations for improvements.

Animal "Terrorism." Conducted a study, with the Terrorism and Violent Crime Section, of the extent and effects of domestic and international terrorism on academic and commercial enterprises using animals for agriculture or research, as mandated by the Animal Enterprise Protection Act of 1992. A report of the study's findings was transmitted to Congress on behalf of both the Department of Justice and the Department of Agriculture.

Expansion of RFPA Reimbursement Provisions. Assessed the potential impacts of two proposed amendments to the financial institution reimbursement provisions of the Right to Financial Privacy Act of 1978 (RFPA) and prepared required reports to Congress. The proposed amendments would allow non-depository licensed transmitters of funds to be reimbursed to the same extent as financial institutions under that Act and allow reimbursement to financial institutions for providing records on corporations and other entities.

Victim and Witness Assistance. Assisted in the Division's implementation of the 1991 Attorney General Guidelines for Victim and Witness Assistance. Prepared and distributed procedures for implementing the Guidelines, as well as coordinated all activities leading to the Division's implementation of the Guidelines.

Child Support Recovery Act. Provided analytical assistance to an interagency working group convened to determine how the federal government should implement this new law, and to develop a larger program to address these issues. Also represented the Department on the Welfare Reform Task Force.

Briefing Materials. Prepared required reports and briefing material on the Criminal Division; coordinated Department-wide

preparation of Confirmation Books for the Attorney General, Deputy Attorney General, and Assistant Attorney General. Prepare various other briefing materials and other talking points for the Attorney General, Deputy Attorney General, and Assistant Attorney General.

Office of Administration

The Division's Office of Administration supports over 750 attorneys, professionals and clerical workers in the litigating Sections/Offices. The Office provides support for the Division in the areas of personnel; budget preparation and execution, procurement, computer support services, security, facilities, records management and mail.

In an initiative entitled "Project Bailout", the Office of Administration identified over $6 million in savings for the Division in areas such as space, parking, copiers, Federal Express, travel and phones. In FY 1993, the Office has initiated "Operation Bailout II" which is aimed at further reducing the Division's expenses in all administrative areas.

In FY 1992, the Office developed a Manual on Policies and Procedures which contains Administrative Policy Memoranda that outline standardized procedures for the operation of administrative functions within the Division's Sections/Offices. These memoranda set forth policy for Division employees on subjects ranging from procedures for attorney hiring to time and attendance reporting. In FY 1993, we have continued to develop and publish these policies, bringing the total number of memoranda to twenty five.

For all managers and employees, the Office publishes a Bi-Weekly Bulletin which provides valuable information to Division employees on administrative matters. The quick, widespread dissemination of the Bulletin through the Division's E-MAIL system makes the Bulletin a valuable asset in transmitting information to all employees and in implementing the many policy and financial measures the Division has undertaken in the last two years. In addition, the Office also publishes Bi-Weekly Budget and Staffing Reports which provide Section Chiefs and Office Directors with current and accurate information on staffing levels and the level of expenditure for all items under their control.

The Office of Administration has also created a state-of-the-art, full text and indexed, image retrieval system containing over 1.5 million pages of crucial evidence selected by the attorneys working on the world-wide Bank of Credit and Commerce International investigations and cases. This imaging system, with its increased efficiency and productivity in document retrieval, has enabled the attorneys working on this high-profile case to complete their research in a more timely manner.

Currently, the Office of Administration is engaged in a wide-range of projects aimed at increasing the Office's efficiency and service to the Division. We are currently completing a review of all records stored in the Division's Records Unit to ensure that all closed cases are documented and sent to the Federal Records Center. A new, fully automated system for numbering and tracking incoming correspondence and case-related materials has been developed and is currently being implemented within the Division. Additionally, the Office is developing a standardized telephone policy which will help to ensure the most efficient telephone coverage throughout the Division.

Office of Legislation

The Office of Legislation continues to fulfill its traditional responsibilities of drafting and working for the enactment of major Department and Administration legislative initiatives. During the 103rd Congress, the Office drafted many legislative initiatives, including a major portion of the "Expedited Exclusion and Alien Smuggling Enhanced Penalties Act of 1993," a bill sent to Congress by the President. In addition, the Office participated in the development of the enforcement provisions of the President's health care reform legislative proposal. The Office was also closely involved in the Department's efforts regarding the crime bill passed by the Senate.

In the area of sentencing, the Office prepared reports complying with the Criminal Division's express statutory duty to report at least annually to the Commission on the operation of the Sentencing Guidelines and to suggest changes that appear to be warranted. The most recent report prepared for the Commission (October 1993) described a number of areas in which amendments to the Guidelines are needed. The amendment areas came to the attention of this Office through contact with United States Attorneys' Offices and other components of the Department. Another major responsibility of the Office is to respond to Sentencing Guidelines studies on the implementation of the Sentencing Guidelines and sentencing law. In addition, the Office participates in developing Department policies for implementing sentencing law.

The Office also has a significant workload in such other areas as drafting proposals to amend the Federal Rules of Criminal Procedure and reviewing draft bills prepared by Congressional staffs or other agencies. In fiscal year 1993 the Office processed 208 requests pertaining to Senate bills, 276 requests pertaining to House of Representative bills, and 248 other matters not identified by bill number, including the preparation of legislative proposals, the review of draft proposals from other agencies, and the preparation of Congressional testimony. Processing requests pertaining to bills usually involves transmitting the request to the appropriate Criminal Division component for the preparation of comments for review by the Office of Legislation and ultimately transmission to Congress by the Department.

Criminal Division
Justification of Multi-Activity Program Changes

	1995 FTE Reductions			1995 Administrative Savings			1995 Locality Pay			Total		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Organized Crime and Narcotics	(2)	(2)	(186)	...	...	(111)	(1)	(1)	(105)	(3)	(3)	(402)
White Collar Crime	(4)	(4)	(340)	...	...	(201)	(3)	(3)	(194)	(7)	(7)	(735)
International	(2)	(2)	(202)	...	...	(119)	(2)	(2)	(114)	(4)	(4)	(435)
Litigation Support	(2)	(2)	(162)	...	...	(97)	(1)	(1)	(93)	(3)	(3)	(352)
Management and Administration	(2)	(2)	(130)	...	...	(78)	(1)	(1)	(74)	(3)	(3)	(282)
Total	(12)	(12)	(1,020)	...	...	(606)	(8)	(8)	(580)	(20)	(20)	(2,206)

As shown above, the Criminal Division will incur a program decrease of 20 positions, 20 workyears and $2,206,000 for FY 1995. A summary of the absorption of these decreases is listed below:

FTE Reductions - 12 Positions, 12 Workyears, and $1,020,000

This program decrease is required to meet the personnel levels established by the Administration. The reductions in this area have been taken across Criminal Division programs. All workyear reductions will be achieved through attrition.

The Division will continue its stringent policy of not hiring from outside of the Division unless extreme circumstances occur. This policy, combined with attrition, should satisfy the Division's need to lose 12 workyears.

The Division is also undergoing a streamlining process which should eliminate the need for personnel in certain areas, as well as making these areas more cost-efficient. This streamlining will absorb the remainder of the Division's decrease in this category.

Administrative Savings - 0 Positions, 0 Workyears, and $606,000

This program decrease is required to assist in controlling the Federal deficit and improving the Federal Government's administrative productivity. These reductions will be taken across Criminal Division programs.

In FY 1994 and FY 1995, the Division will continually implement administrative cost-savings initiatives. These initiatives will include the consolidation of office space; reduction in cost of telecommunications; as well as other areas of non-personnel costs.

Locality Pay - 8 Positions, 8 Workyears, and $580,000

This program decrease is required to absorb the effects of annualizing the 1994 locality pay adjustment in 1995. The reductions are taken across Criminal Division programs.

In compliance with the National Performance Review's initiative to reduce, by half, the percentage of its employees which are supervisors or managers, by the year 1998; the Criminal Division will take steps to reduce the supervisory structure that exists in some Sections\Offices within the Division.

Criminal Division
Salaries and Expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Items	Organized Crime and Narcotics						White Collar Crime						International					
	Permanent cut in Pos. & FTE		Administrative Savings		Locality Pay		Permanent cut in Pos. & FTE		Administrative Savings		Locality Pay		Permanent cut in Pos. & FTE		Administrative Savings		Locality Pay	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades and Salary Range																		
GS-15, $66,699 - $86,589	...	...	...	...	...	...	(1)	(87)	...	...	...	...	...	...	...	...	...	...
GS-14, $56,627 - $73,619	(1)	(74)	...	...	(1)	(74)	(1)	(74)	...	...	...	...	(2)	(148)	...	...	...	...
GS-13, $47,920 - $62,293	(1)	(62)	...	...	...	...	(1)	(62)	...	...	(1)	(62)	...	...	...	...	...	...
GS-11, $33,620 - $43,712	...	...	...	...	...	...	...	...	...	...	(1)	(44)	...	...	...	...	(1)	(44)
GS-09, $27,769 - $36,123	...	...	...	...	...	...	(1)	(35)	...	...	(1)	(35)	...	...	...	...	(1)	(36)
Total positions and annual rate	(2)	(136)	...	...	(1)	(74)	(4)	(258)	...	...	(3)	(141)	(2)	(148)	...	...	(2)	(80)
Lapse (-)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other than full-time permanent	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	(2)	(136)	...	...	(1)	(74)	(4)	(258)	...	...	(3)	(141)	(2)	(148)	...	...	(2)	(80)
Personnel benefits	...	(50)	...	...	...	(31)	...	(82)	...	...	...	(47)	...	(54)	...	...	...	(27)
Travel and transportation of persons	...	...	...	(16)	...	...	...	...	...	(29)	...	(1)	...	...	...	(17)	...	(1)
Transportation of Things	...	...	...	(1)	...	...	...	...	...	(1)	...	...	...	...	...	(1)	...	...
Rent, Communications and Utilities	...	...	...	(61)	...	...	...	...	...	(112)	...	(3)	...	...	...	(66)	...	(4)
Printing	...	...	...	(1)	...	...	...	...	...	(2)	...	...	...	...	...	(1)	...	...
Other services	...	...	...	(26)	...	...	...	...	...	(47)	...	(2)	...	...	...	(28)	...	(2)
Supplies and Materials	...	...	...	(3)	...	...	...	...	...	(5)	...	...	...	...	...	(3)	...	...
Equipment	...	...	...	(3)	...	...	...	...	...	(5)	...	...	...	...	...	(3)	...	...
Total program workyears and obligations changes requested, 1995	(2)	(186)	...	(111)	(1)	(105)	(4)	(340)	...	(201)	(3)	(194)	(2)	(202)	...	(119)	(2)	(114)

Items	Litigation Support						Management and Administration						Total	
	Permanent cut in Pos. & FTE		Administrative Savings		Locality Pay		Permanent cut in Pos. & FTE		Administrative Savings		Locality Pay			
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades and Salary Range														
GS-15, $66,699 - $86,589	...	...	...	...	...	...	...	...	...	...	...	...	(1)	(87)
GS-14, $56,627 - $73,619	...	...	...	...	...	...	...	...	...	...	...	...	(5)	(370)
GS-13, $47,920 - $62,293	(2)	(124)	...	...	(1)	(63)	(1)	(63)	...	...	...	...	(7)	(436)
GS-11, $33,620 - $43,712	...	...	...	...	...	...	...	...	...	...	(1)	(44)	(3)	(132)
GS-09, $27,769 - $36,123	...	...	...	...	...	...	(1)	(36)	...	...	...	...	(4)	(142)
Total positions and annual rate	(2)	(124)	...	...	(1)	(63)	(2)	(99)	...	...	(1)	(44)	(20)	(1,167)
Lapse (-)	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other than full-time permanent	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	(2)	(124)	...	...	(1)	(63)	(2)	(99)	...	...	(1)	(44)	(20)	(1,167)
Personnel benefits	...	(38)	...	...	...	(21)	...	(51)	...	...	...	(15)	...	(396)
Travel and transportation of persons	...	...	...	(12)	...	(1)	...	...	...	(11)	...	(2)	...	(90)
Transportation of Things	...	...	...	(2)	...	...	...	...	...	...	...	...	...	(5)
Rent, Communications and Utilities	...	...	...	(55)	...	(6)	...	...	...	(44)	...	(9)	...	(360)
Printing	...	...	...	(1)	...	...	...	...	...	(1)	...	...	...	(6)
Other services	...	...	...	(23)	...	(2)	...	...	...	(18)	...	(4)	...	(152)
Supplies and Materials	...	...	...	(2)	...	...	...	...	...	(2)	...	...	...	(15)
Equipment	...	...	...	(2)	...	...	...	...	...	(2)	...	...	...	(15)
Total program workyears and obligations changes requested, 1995	(2)	(162)	...	(97)	(1)	(93)	(2)	(130)	...	(78)	(1)	(74)	(20)	(2,206)

Criminal Division
Salaries and Expenses
Priority Rankings

Program	Base Program Ranking
Organized Crime and Narcotics	1
White Collar Litigation	2
International	3
Litigation Suppert	4
Management and Administration	5

Criminal Division
Salaries and Expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Authorized	1994 Reprogramming	1994 Adjustment	1994 Total	1995 Program Decreases	1995 Total
Attorneys (905)	453	405	...	(5)	400	(10)	390
Paralegal Specialists (950)	85	75	...	(1)	74	(2)	72
Other Legal and Kindred (900 – 998)	27	24	...	...	24	(1)	23
Other Miscellaneous (001 – 099)	19	16	...	...	16	...	16
Social Sciences, Economics (100 – 199)	10	9	...	...	9	...	9
General Administrative, Clerical (300 – 399)	241	202	...	(2)	200	(7)	193
Accounting and Budget (500 – 599)	10	10	...	...	10	...	10
Language Specialist (1040)	1	1	...	...	1	...	1
Criminal Investigator (1811)	1	1	...	...	1	...	1
Technical Information Services (1412)	1	1	...	...	1	...	1
Writer\Editor (1082)	1	1	...	...	1	...	1
Total	849	745	...	(8)	737	(20)	717
Washington	815	711	...	(8)	703	(19)	684
U.S. Field	32	32	...	...	32	(1)	31
Foreign Field	2	2	...	...	2	...	2
Total	849	745	...	(8)	737	(20)	717

Criminal Division
Reimbursable Resources
Summary of Requirements
(Dollars in thousands)

Collections by Sources:	1993 Actual Pos	1993 Actual WY	1993 Actual Amount	1994 Estimate Pos	1994 Estimate WY	1994 Estimate Amount	1995 Request Pos	1995 Request WY	1995 Request Amount	Increase/Decrease Pos	Increase/Decrease WY	Increase/Decrease Amount
Assets Forfeiture Fund		..				..		.	..			
Bureau of Prisons		..	50			50		..	50			.
Drug Enforcement Administration		...	..				.	...	.		.	.
Executive Office for United States Attorneys		...	190				.	..			.	
Immigration and Naturalization Service	.	...		.	.	.	.	..	..	.		
Organized Crime & Drug Enforcement	6	6	742	6	6	751	6	6	755			4
U S Department of State	..	...		..		.	...	...	..	.	...	...
All Other		...	713			62		.			.	(62)
Budgetary Resources	6	6	$1,695	6	6	$863	..	..	$805			($58)

Salaries and Expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

	1993 Actual		1994 Enacted		1995 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Grades and salary range								
Executive Level IV, $115,700	1		1		1		0	
ES-5, $116,529	4		3		3		0	
ES-4, $111,839	23		18		18		0	
ES-3, $106,108	3		3		3		0	
ES-2, $101,520	1		0		0		0	
ES-1, $96,830	4		5		5		0	
GS-15, $66,609-$86,589	284		281		268		(13)	
GS-14, $56,627-$73,619	115		97		91		(6)	
GS-13, $47,920-$62,293	52		42		40		(2)	
GS-12, $40,298-$52,385	45		32		31		(1)	
GS-11, $33,623-$43,712	69		66		62		(4)	
GS-10, $30,603-$39,783	1		2		2		0	
GS-09, $27,789-$36,123	52		38		38		0	
GS-08, $25,159-$32,710	46		44		44		0	
GS-07, $22,717-$29,530	90		77		75		(2)	
GS-06, $20,443-$26,572	24		15		15		0	
GS-05, $18,340-$23,839	18		16		16		0	
GS-04, $16,393-$21,307	8		3		3		0	
GS-03, $14,603-$18,984	6		2		2		0	
GS-02, $13,382-$16,843	3		0		0		0	
Locality Pay	...	...	...	...	...	1,648	.	1,648
1995 Pay Raise	...		...	...	...	675	...	675
Total, appropriated positions	849	$47,608	745	$42,994	717	$43,637	(28)	643
Pay above stated annual rate	...	183	...	155	...	...	...	(155)
Lapses	(133)	(7,581)	(29)	(1,653)	(29)	(1,699)	...	(46)
Savings due to lower pay scales for part of year	...	(436)	...	(412)	...	(169)	...	243
Net full-time permanent	723	39,774	716	41,084	688	41,769	(28)	685
Other than permanent:								
Temporary employment	31	1,806	46	1,912	46	1,945	..	33
Other part-time and intermittent employment	...	...	...	...	...	...	..	...
Other personnel compensation:								
Overtime	2	109	2	111	2	111	.	..
Administratively Uncontrollable Overtime	...	...	...	...	...	...	.	.
Other Compensation	...	500	...	520	...	520	.	
Special personal services payments	...	472	...	543	...	543	..	..
Total, workyears and personnel compensation	756	42,661	764	44,170	736	44,888	(28)	718
Average ES Salary		$110,170		$109,524		$114,343		
Average GS/GM Salary		$55,746		$57,640		$54,644		
Average GS/GM Grade		11.8		12.1		12.1		

Salaries and Expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Enacted		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11 Personnel compensation	...	...	...	...	...	...	...	..
11.1 Full-time permanent	723	39,774	716	41,084	688	41,769	(28)	685
11.3 Other than permanent	31	1,806	46	1,912	46	1,945	..	33
11.5 Other personnel compensation	2	609	2	631	2	631		
11.8 Special personal services payments	...	472	...	543	...	543	...	...
Total	756	42,661	764	44,170	736	44,888	(28)	718
Reimbursable Workyears:								
Full-time permanent	6	...	6	...	6	...	..	...
Other than permanent	...	...	...	...	...	...		..
12 Personnel benefits	...	8,505	...	8,848	...	9,109	...	261
13 Benefits to former personnel	...	18	...	9	...	9	...	...
21 Travel and transportation of persons	...	2,285	...	3,658	...	2,829	..	(829)
22 Transportation of things	...	94	...	169	...	121	..	(48)
23.1 GSA rent	...	9,310	...	11,074	...	9,040	...	(2,034)
23.3 Communications, utilities and misc. charges	...	2,153	...	2,534	...	2,513	.	(21)
24 Printing and reproduction	...	140	...	308	...	255	...	(53)
25 Other Services	...	4,858	...	5,921	...	5,625		(296)
26 Supplies and Materials	...	701	...	646	...	602	..	(44)
31 Equipment	...	298	...	607	...	550	...	(57)
Total obligations	756	71,023	764	77,944	736	75,541	(20)	(2,403)

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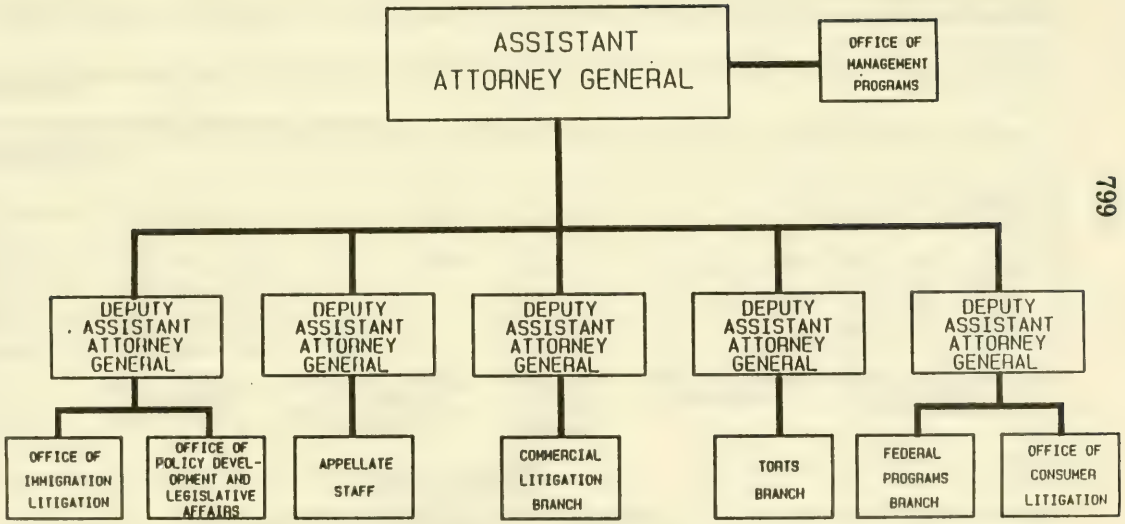
CIVIL DIVISION



Approved: _____ Date: 7-3-90

DICK THORNBURGH
Attorney General

Civil Division

Salaries and expenses, General Legal Activities

Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Adjustment in Workyear Ceiling		Reprogramming			1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Pos.	WY	Amount	Pos.	WY	Amount
Federal Appellate Activity	79	84	$8,180	...	...	...	...	...	...	...	...	79	84	$8,180
Torts Litigation	231	229	36,371	...	...	...	...	4	...	...	...	231	233	36,371
Commercial Litigation	320	310	37,480	...	...	...	...	15	...	...	...	320	325	37,480
Federal Programs	162	156	15,643	...	...	...	...	...	(7)	(7)	$(652)	155	149	14,991
Consumer Litigation	35	39	3,682	...	...	...	...	...	...	...	...	35	39	3,682
Immigration Litigation	40	48	5,710	8	8	$400	...	...	7	7	652	55	63	6,762
Management and Administration	104	110	10,861	...	...	...	...	3	...	...	...	104	113	10,861
Total	971	976	117,927	8	8	400	...	22	...	...	...	979	1,006	118,327

Congressional Appropriation Actions
The final Congressional mark-up for the General Legal Activities provided a program increase of 8 positions, 8 workyears and $400,000 for the Civil Division to partially fund the 1994 Immigration initiative.

Adjustment in Workyear Ceiling
These adjustments are made to accommodate the inclusion of certain classes of employees in workyear ceiling limitations.

Reprogramming
This reprogramming transfers 7 positions, 7 workyears and $652,000 to the Office of Immigration Litigation from the Federal Programs Branch. It is intended to provide the Office of Immigration Litigation with the resources necessary to overcome chronic understaffing and keep pace with skyrocketing workload growth.

Locality Pay
The locality pay increase will be absorbed primarily in non-personnel spending categories. In 1994, funding for Automated Litigation Support and foreign counsel was reduced to absorb locality pay. In 1995, there will be virtually no spending for new equipment or software; spending for foreign counsel will be cut; and Automated Litigation Support will continue to operate at a severely restricted level.

Civil Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	WY	Amount
Adjustments to base:			
1994 As Enacted	979	984	$118,327
1994 Adjustment in Workyear Ceiling	...	22	...
1994 Appropriation Anticipated	979	1,006	118,327
Transfer from General Administration for Mail Management	...	...	5
Mandatory increases:			
1995 Pay Raise	...	...	845
1995 Locality Pay	...	...	740
Within-grade Increases	...	...	912
Annualization of 1994 Increases	...	...	787
Unemployment Compensation	...	...	24
General Services Administration (GSA) Rent	...	...	1,456
Pacer	...	...	20
Federal Telecommunications System (FTS 2000)	...	...	224
Employee Data Services	...	...	9
Distributed Administrative Support	...	...	12
General Pricing Level Adjustments	...	...	1,198
Total mandatory increases	...	...	6,227
Non-policy Decreases:			
Accident Compensation	...	...	(18)
One Less Compensable Day	...	...	(286)
Total Non-policy Decreases	...	...	(304)
Total, Adjustments to Base	...	...	5,928
1995 base	979	1,006	124,255

Estimates by Program	1993 As Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
4. Claims, customs and general civil matters	984	991	$114,381	984	951	$109,531	979	1,006	$118,327	979	1,006	$124,255	970	995	$124,241	(9)	(11)	$(14)

Civil Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1993 As Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount[1/]	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity	79	92	$8,106	79	76	$8,377	79	84	$8,180	79	84	$8,644	78	79	$8,448	(1)	(5)	$(196)
Torts Litigation	231	229	34,774	231	223	29,172	231	233	36,371	231	233	37,553	224	226	36,102	(7)	(7)	(1,451)
Commercial Litigation	324	310	36,658	324	323	36,639	320	325	37,480	320	325	39,912	315	325	42,133	(5)	...	2,221
Federal Programs	170	156	15,401	170	150	15,945	155	149	14,991	155	149	15,813	152	146	15,353	(3)	(3)	(460)
Consumer Litigation	35	39	3,545	35	35	3,574	35	39	3,682	35	39	3,888	35	39	3,854	...	...	(34)
Immigration Litigation	40	48	5,080	40	46	5,710	55	63	6,762	55	63	7,019	55	63	6,988	...	...	(31)
Management and Administration	105	117	10,817	105	98	10,114	104	113	10,861	104	113	11,426	111	117	11,363	7	4	(63)
Total	984	991	114,381	984	951	109,531	979	1,006	118,327	979	1,006	124,255	970	995	124,241	(9)	(11)	(14)
Reimbursable Workyears		18			18			18			18			24			6	
Total Workyears		1,009			969			1,024			1,024			1,019			(5)	
Other Workyears:																		
Holiday		...			...			...			...			...			...	
Overtime		8			2			8			8			8			...	
Total compensable workyears		1,017			971			1,032			1,032			1,027			(5)	

1/ Amount does not include $4,550,000 carried forward into 1994 for Automated Litigation Support.

Civil Division

Salaries and expenses, General Legal Activities

Justification of Multi-Activity Program Changes
(Dollars in thousands)

Budget Activity/Program	1995 FTE Reductions			1995 Administrative Savings			1995 Locality Pay			Total		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Federal Appellate Activity.....	(1)	(5)	($108)	...	...	($40)	...	...	($48)	(1)	(5)	($196)
Torts Litigation.....	(7)	(8)	(682)	...	...	(645)	...	...	(124)	(7)	(8)	(1,451)
Commercial Litigation.....	(5)	...	(462)	...	...	(158)	...	...	(374)	(5)	...	(994)
Federal Programs.....	(3)	(3)	(293)	...	...	(81)	...	...	(86)	(3)	(3)	(460)
Consumer Litigation.....	...	...	...	...	...	(12)	...	...	(22)	...	...	(34)
Immigration Litigation.....	...	...	...	...	...	(4)	...	...	(27)	...	...	(31)
Management and Administration..	...	...	...	...	...	(4)	...	...	(59)	...	...	(63)
Total.....	(16)	(16)	(1,545)	...	...	(944)	...	...	(740)	(16)	(16)	(3,229)

FTE, Administrative and Locality Pay Reductions

These FTE reductions reflect the Department's estimate of the Civil Division's portion of the workforce reduction mandated by the President's executive order. These reductions will be achieved through attrition.

The administrative reductions will be taken from the Civil Division's funding for automated systems. Some savings will be achieved through the introduction of new technology. However, there will be a reduction in capabilities, particularly with respect to office automation and legal research.

The locality pay increase will be absorbed primarily in non-personnel spending categories. In 1995, there will be virtually no spending for new equipment or software; spending for foreign counsel will be cut; and Automated Litigation Support will continue to operate at a restricted level.

National Performance Review Initiatives

As the Civil Division implements the personnel decreases reflected in this budget for FY 1994 and FY 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce the percentage of its employees that are supervisors or managers, by the year 1998.

Civil Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Claims, customs, and general civil matters	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity	79	84	$8,180	79	84	$8,644	78	79	$8,448	(1)	(5)	$(196)
Torts Litigation	231	233	36,371	231	233	37,553	224	226	36,102	(7)	(7)	(1,451)
Commercial Litigation	320	325	37,480	320	325	39,912	315	325	42,133	(5)	...	2,221
Federal Programs	155	149	14,991	155	149	15,813	152	146	15,353	(3)	(3)	(460)
Consumer Litigation	35	39	3,682	35	39	3,888	35	39	3,854	...	...	(34)
Immigration Litigation	55	63	6,762	55	63	7,019	55	63	6,988	...	...	(31)
Management and Administration	104	113	10,861	104	113	11,426	111	117	11,363	7	4	(63)
Total	979	1,006	118,327	979	1,006	124,255	970	995	124,241	(9)	(11)	(14)

This activity provides representation for the United States' interests in all types of civil cases and matters except those within the specialized fields of the other divisions of the Department or delegated to the United States Attorneys. The litigation encompasses the full spectrum of legal problems encountered by private business enterprises because the departments and agencies of the Government are engaged in innumerable commercial ventures similar to those of a modern corporation, such as buying, selling, construction, shipping, production of energy, insurance, housing and banking. In addition, the Division litigates the significant policy issues associated with Government activities. The overall objective of Civil Division activity is to provide the Government with the best possible legal representation. While the Division operates as the Government's law firm, it also functions as a counselor and advisor for important Government programs that may become the subject of litigation.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity	79	84	$8,180	79	84	$8,644	78	79	$8,448	(1)	(5)	($196)

LONG-RANGE GOAL: To protect the interests of the United States at the highest levels of judicial review.

MAJOR OBJECTIVES:

To prevail in appellate litigation challenging trial court or administrative decisions in favor of the United States.

To initiate and prevail in appeals in which the Government's opponents were successful at the trial court or administrative levels.

To protect the Government's interest at the highest level of appeal by preparing documents to be filed by the Solicitor General in the Supreme Court.

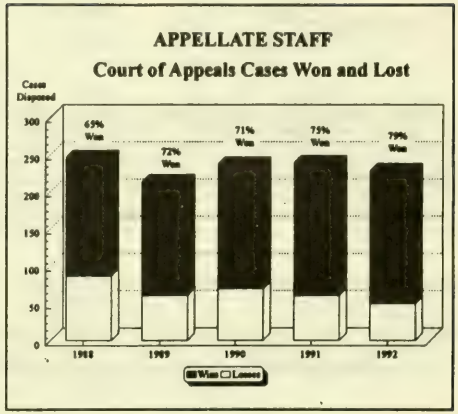
BASE PROGRAM DESCRIPTION: The Appellate Staff protects the interests of the United States at the highest level of judicial review, providing central control over appellate litigation and insuring uniform treatment of issues affecting the Government. If the outcome of a trial involves huge financial stakes, new laws, major initiatives or controversial issues, the case is likely to become the subject of appellate review. The Staff represents the Government in suits challenging legislation such as the Civil Rights Act of 1991 and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). The Staff defends major Government programs such as Medicare and Medicaid when they are contested in court. The Staff also handles high-visibility cases which reach appellate review such as those involving Haitian claims to asylum and the rights of homosexuals in the military. New policies initiated by the Administration and Congress will likely spawn challenges destined for appellate review. By 1995, the Staff expects to handle 1,959 new cases.

ACCOMPLISHMENTS AND WORKLOAD: The workload of the Appellate Staff is presented in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
Cases and Memoranda Handled by Appellate Staff				
Pending Beginning of Year	733	723	678	686
Received During Year	1,915	1,627	1,728	1,959
Terminated During Year	1,925	1,672	1,720	1,910
Pending End of Year	723	678	686	735
Direct Dollars at Issue (Millions)	$24,924	$23,101	$25,833	$26,743
Received and Referred to U.S. Attorneys	1,077	1,058	1,072	1,077

Item	1992	1993	Estimates 1994	Estimates 1995
Performance Measures				
Results in Appellate Staff Personally Handled Court of Appeals Cases Terminated				
Percent Favorable Outcomes	79	79	79	79

The Appellate Staff tracks its performance by measuring the percentage of disposed Court of Appeals cases that were personally or jointly handled by the Appellate Staff in which successful outcomes were attained. The chart to the right shows the percentage of Court of Appeals cases won by the Appellate Staff over the past five years. Throughout that time, an average of 72 percent of the outcomes represented wins for the Government. In 1992, the Staff continued its phenomenal record of success and obtained victories in 79 percent of all cases in which judgments were affirmed, reversed or dismissed. The Appellate Staff expects to be able to maintain this level of performance through 1995.



Specific examples of the Appellate Staff's exemplary performance over the past year follow:

In Association of American Physicians & Surgeons, et al. v. Hillary Rodham Clinton, the plaintiffs sought to enjoin the President's Task Force on National Health Care Reform from conducting its business in private, claiming that to do so would violate the Federal Advisory Committee Act (FACA). FACA requires Executive Branch and Congressional advisory committees to hold their meetings in public, make all of their records available to the public, have a "fairly balanced" membership and comply with a variety of procedural regulations unless the committee is composed "wholly of officers or employees of the Federal Government." The Court of Appeals, in unanimously reversing the District Court, ruled that the Task Force was exempt from FACA because it is composed entirely of Cabinet members, senior White House advisors and the First Lady, who chairs the Task Force. The Court found that the President's spouse, inasmuch as she serves as an assistant to the President, is an "officer or employee of the Federal Government."

In Sale v. Haitian Centers Council, Inc., the Supreme Court upheld an important component of an Executive Branch policy regarding migrants who are interdicted on the high seas. Previously, INS officials interviewed Haitians, who were interdicted by U.S. vessels while attempting to migrate to the United States, in order to determine whether they qualified as political "refugees" under the Immigration and Nationality Act (INA). As the outflow of migrants became increasingly unmanageable, however, President Bush issued an Executive Order, under which migrants interdicted on the high seas are repatriated without refugee screening. Upon the issuance of this Order, the plaintiffs added to their pending lawsuit a challenge to the new policy. The Supreme Court ultimately ruled that neither the INA's text nor the history of its 1980 amendment suggested that the statute's protections should extend to aliens who had not reached the United States.

In County of Seneca v. Cheney, the Court of Appeals reversed a District Court injunction that would have impaired significantly the President's authority to act swiftly to reduce unnecessary military expenditures. This case arose after numerous civilian employees at the Seneca, New York Army installation became unnecessary due to an agreement between the U.S. and Russia to eliminate all Army tactical nuclear weaponry. The Army proposed to terminate these employees without going through the Base Closure and Realignment Act's lengthy and complex procedures. Instead, the Army relied on the Base Closure Act, which appeared to exempt the Seneca installation's planned personnel action from coverage under the statute. The District Court issued an injunction to prohibit the planned personnel action, but the Court of Appeals reversed the order, allowing the Army to terminate employees who otherwise would have been compensated for performing unnecessary work.

The Staff also achieved success in litigation challenging the validity of the 1990 census. In City of Detroit v. Franklin, the plaintiffs alleged a series of defects in census-taking techniques and argued that the government erred in refusing to adjust the census to correct these mistakes and rectify alleged undercounts of minority groups. The Court of Appeals joined other courts in rejecting such claims, ruling that the decision not to adjust the census is nonreviewable.

In UNR v. United States, the Supreme Court concurred with the Staff that an asbestos manufacturer's multi-million dollar contract and takings suit in the Court of Federal Claims was barred because the manufacturer had a related tort suit pending against the Government in District Court at the time the plaintiff filed its Court of Federal Claims suit. The Court adhered to the longstanding principle that a court's jurisdiction is determined at the time a suit is filed, rather than the time a court rules on a motion to dismiss. The Court also reaffirmed a broad approach to determining when two suits are related, finding that a litigant cannot bring its contract claims in District Court or its tort claims in the Court of Federal Claims.

In American Federation of Government Employees v. Roberts, the Court of Appeals approved random drug testing of Bureau of Prisons (BOP) employees. The Ninth Circuit held that all primary law enforcement employees may be subjected to random testing because they hold positions that would allow them to smuggle drugs to inmates, and because they must be drug-free in order to maintain prison safety and security. The Court perceived BOP's drug plan as a reasonable means to prevent the Federal prisons from suffering the same kind of rampant drug abuse problems that currently plague certain state and local prison systems.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity	79	84	$8,644	78	79	$8,448	(1)	(5)	($196)

For a description of program reductions, see the Multi-Activity exhibit on page D-4.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Torts Litigation	231	233	$36,371	231	233	$37,553	224	226	$36,102	(7)	(7)	($1,451)

LONG-RANGE GOAL: To protect the U.S. Treasury by successfully defending against unwarranted claims, preventing excessive losses from meritorious claims and maximizing the monetary recovery for injury and damages to Government property.

MAJOR OBJECTIVES:

To prevail in the defense of tort actions brought against the Government, its agencies and individual Federal employees.

To initiate and prevail in actions when the Government has sustained injury or expended resources on behalf of another party.

To implement the statutory requirements of compensation program legislation, while shielding the Treasury from erroneous claims.

BASE PROGRAM DESCRIPTION: The Torts Branch guards the public fisc by defending the Government where plaintiffs seek monetary damages for alleged neglect or wrongful conduct and by initiating actions to recover injury and damages to Government property. The monetary implications of this activity are gigantic -- over $32 billion was at issue in 1993. Most of the Branch's suits are defensive and, therefore, non-discretionary. In many of these suits, the Government's involvement in the event triggering the tort action is elusive, at best. The most common of these types of claims involve aviation disasters such as the Long Island Avianca plane crash or environmental accidents such as the EXXON VALDEZ oil spill. The incidents that precipitate them are unforeseeable; without warning, the Government can be pulled into resource-devouring litigation involving hundreds of plaintiffs, massive discovery requirements and protracted schedules. Over the next two years, the Branch's caseload is expected to increase 28 percent, from 2,316 cases in 1993 to 2,956 cases in 1995. During this same period, dollars at issue are expected to grow 39 percent, from $33 billion to $46 billion.

A large share of the Branch's caseload involves defending against claims arising from the maritime and aviation activities of Government agencies. These suits range from maritime disaster and seaman's injury cases to commercial airline and private aircraft accident cases. In addition, affirmative actions to recover monies for Government property damaged during maritime commerce, as well as the costs associated with maritime pollution cleanups, represent a growing portion of the Branch's caseload. With dollars at issue in affirmative admiralty cases expected to grow to $946 million by 1995, the Branch's opportunities to assist in deficit reduction efforts are immense.

In defending constitutional and specialized tort suits, the Branch often represents Government employees sued in their individual capacities. The subject matter in these cases varies as widely as the Government's operations themselves and the types of defendants range from Federal law enforcement officers to Cabinet members. A substantial portion of the Branch's activities is in connection with the implementation of the National Childhood Vaccine Injury Act of 1986, under which approximately 4,500 claims seeking compensation have been filed (see page D-12), and the Radiation Exposure Compensation Act (RECA) of 1990, under which approximately 3,600 claims have been filed (see RECA budget).

The Branch handles cases arising under the Federal Tort Claims Act (FTCA), as well as suits filed in district courts under the Health Centers Assistance Act of 1992, which extended the FTCA to cover community health centers receiving grants from HHS and their contractors. In addition to conducting FTCA litigation, Branch attorneys are responsible for the administration of the FTCA, including initiating changes in Department regulations implementing the Act and providing guidance to all Federal agencies on policy issues arising under the Act.

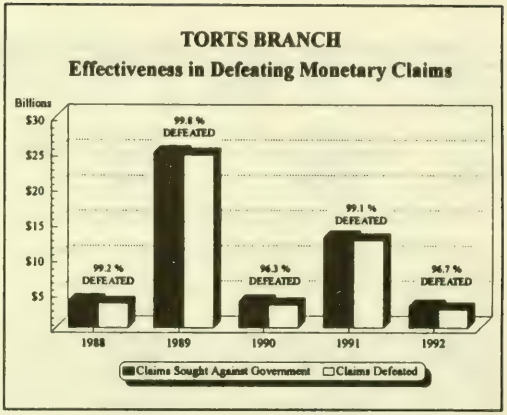
Tort claims relating to environmental and occupational diseases also fall within the Branch's domain. The Branch defends the Government against claims for monetary damages resulting from alleged personal injury, death or property damage caused by environmental or occupational exposure to toxic substances. These actions are principally brought under the FTCA but are also premised upon the law of admiralty under the Suits in Admiralty Act, contract law under the Tucker Act and various environmental statutes.

ACCOMPLISHMENTS AND WORKLOAD: The workload of the Torts staff is presented in the following table[1/]:

Item	1992	1993	Estimates 1994	Estimates 1995
Cases Handled by Torts Staff				
Pending Beginning of Year	3,425	1,487	1,673	2,011
Received During Year	744	829	955	945
Terminated During Year	2,682	643	617	659
Pending End of Year	1,487	1,673	2,011	2,297
Direct Dollars at Issue (Millions)	$30,178	$32,716	$39,603	$45,573
Authorized for Litigation by U.S. Attorneys	3,543	3,918	4,269	4,488
Performance Measures				
Results in Personally Handled Defensive Trial Cases Terminated				
Percent of Dollars Recovered	97	93	97	97
Fines and Penalties Sought (in Millions)	$3,772	$3,107	$3,079	$3,416
Fines and Penalties Awarded (in Millions)	$3,659	$2,894	$2,987	$3,314

1/ National Childhood Vaccine Injury Compensation Program and Radiation Exposure Compensation Act (RECA) Program workloads are not included in this table. Vaccine program workload is detailed in the next section, while RECA workload is included within the RECA budgets.

The Torts Branch tracks its performance by measuring dollar claims defeated as a percentage of total dollars sought by the opposition. The chart to the right shows the percentage of dollar claims defeated by the Torts Branch from 1988 to 1992. During those years, an average of 99 percent of monetary claims sought were defeated; in 1992, the actual figure was 97 percent.



Several of the Torts Branch's accomplishments over the past year follow:

Tort suits seeking damages attributed to AIDS represented a growing component of the Branch's caseload. In C.R.S., et al. v. United States, plaintiffs D.B.S., N.A.S. and C.R.S. sued the Government for $30 million, alleging that they contracted the human immunodeficiency virus (HIV) -- the virus that causes AIDS -- as a result of the Government's negligence. According to the plaintiffs, D.B.S. contracted HIV from blood transfusions performed in August 1983 at a military hospital while he was performing training duties as a member of the Minnesota National Guard. D.B.S. transmitted HIV to his wife, N.A.S., who later passed the virus on to one of their three children, C.R.S. In December 1993, the Court of Appeals affirmed the District Court's judgment in favor of the United States on the grounds that the plaintiffs' claims are barred by the Federal Tort Claims Act's discretionary function exception. The Court of Appeals' opinion should prove helpful in the Government's defense of similar challenges to the military's response to the AIDS crisis.

The Branch also secured a major victory in a case arising from the 1978 release of PCB-containing oil at the Navy's Piti Power Plant in Guam. In Figueroa, et al. v. United States, the Ninth Circuit affirmed the dismissal of $630 million in claims of 251 present or former Federal employees against the United States and reversed the District Court's failure to dismiss hundreds of claims against twelve Naval officers and employees that were sued in their individual capacities.

In August 1993, the Branch successfully defended the Government in Sun Valley Mall, a $30 million lawsuit for damages arising from the December 1985 crash of an aircraft into a crowded Concord, California shopping mall. This litigation involved more than 70 lawsuits seeking hundreds of millions of dollars in damages. Seven deaths and 70 ground injuries, including serious burn injuries, resulted from the crash. If Federal air traffic controllers had been found negligent, California law would have required the Government to compensate the plaintiffs for all of the damages.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Torts Litigation	231	233	$37,553	224	226	$36,102	(7)	(7)	($1,451)

For a description of program reductions, see the Multi-Activity exhibit on page D-4.

	1994 Pending Request (Reimbursable Authority)			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National Childhood Vaccine Injury Compensation Program	...	18	$2,000	...	18	$2,000	...	24	$3,000	...	6	$1,000

LONG-RANGE GOAL: To establish a program of no-fault compensation that resolves claims for injuries caused by immunizations and alleviates direct liability against vaccine manufacturers under the National Childhood Vaccine Injury Act of 1986.

MAJOR OBJECTIVES:

To process claims timely and in accordance with the provisions of the Act.

To challenge those petitions that lack merit, while providing compensation where appropriate.

BASE PROGRAM DESCRIPTION: In 1986, Congress passed the National Childhood Vaccine Injury Act in response to a potential crisis affecting the vaccination of children against infectious childhood diseases. Prior to the Act, vaccine manufacturers and physicians who administered vaccines were being sued by parents who claimed that their children had suffered severe injuries following immunizations. Seriously threatened by the number of these lawsuits and the cost to defend them, United States pharmaceutical companies began to withdraw from the market, raising the genuine possibility that domestic production of vaccines would cease.

Congress recognized the severity of the situation and established a system to compensate individuals injured by certain vaccines: the National Vaccine Injury Compensation Program. To receive compensation under the Vaccine Program, an individual must elect not to pursue a traditional civil action for damages against a vaccine manufacturer or administrator. As a result, the Vaccine Act has reduced the number of civil lawsuits against vaccine manufacturers and physicians, stabilized the national vaccine market and provided individuals a streamlined program to obtain compensation for vaccine-related injuries. In February 1993, Senators Edward Kennedy (D-Mass), Nancy Kassebaum (R-Kan) and Orrin Hatch (R-Utah), in offering an amendment to ensure that petitions for vaccine compensation would continue to be received by the court, acknowledged the success of the Vaccine Act and expressed continued support for the Vaccine Program. Similarly, the President and the Secretary of the Department of Health and Human Services (HHS) endorsed the importance of the Program recently when introducing the Administration's national immunization initiative to Congress.

The Vaccine Act established within the United States Court of Federal Claims an Office of Special Masters to adjudicate these cases. When a petition for vaccine compensation is filed, the Chief Special Master assigns the case to a Special Master who makes the initial determination whether entitlement to an award should be granted. In many cases, a hearing is necessary to decide the issue of entitlement under the Vaccine Program. After the Special Master enters the entitlement decision, either party -- the petitioner or the respondent (the Secretary of HHS) -- may appeal the outcome to the United States Court of Federal Claims. The Court of Federal Claims reviews the decision and enters judgment. The decision of the Court of Federal Claims may then be appealed to the United States Court of Appeals for the Federal Circuit.

The Civil Division is charged with representing the Secretary of HHS in the more than 4,500 cases which have been filed under the Vaccine Program. The legal and medical issues that arise in Vaccine Act cases vary greatly. At the trial level, the medical staff of the Division of Vaccine Injury Compensation of HHS assists Civil Division attorneys in developing detailed medical evidence for each trial. If the injured party is awarded compensation, the Division defends the damages portion of the cases to ensure that the injured party receives all the compensation to which he or she is legally entitled, but no more. Because of the severity of most vaccine injuries and the likelihood of lifelong future damages, vaccine cases require a complex economic analysis of the damage payments to be made to the injured party through lump sum payments, annuities or reversionary trusts. In doing so, the efforts of the trial attorneys also serve to preserve the limited Vaccine Program funds to compensate other deserving vaccine-injured parties.

The Program differentiates between injuries or deaths attributable to enumerated vaccines administered prior to October 1, 1988 (retrospective claims), and injuries and deaths arising from immunizations after that date (prospective claims). Payment of claims arising after October 1, 1988 are made from an Injury Compensation Trust Fund supported by a manufacturers' excise tax on certain vaccines. Injuries arising prior to that date are compensated through appropriated funds. There is a significant backlog of retrospective cases yet to be considered by the Court. Approximately 4,000 petitions were filed by the statutory deadline of January 31, 1991, and over 1,100 remain to be placed on the active docket. With the Court releasing approximately 35 retrospective cases each month and another 16 prospective claims being filed -- for a total of 51 new cases each month -- attorneys are swamped. During 1993, each Civil Division Vaccine Staff attorney handled, on average, over 44 active cases.

Further, the workload of Civil Division attorneys has intensified with the implementation of new procedures by the Office of Special Masters in November 1993. To reduce an immense backlog and facilitate the processing of claims, the Office ordered the Civil Division to conduct a preliminary evaluation of 100 additional retrospective cases per month. After a preliminary evaluation, the Division files a pleading with the Court recommending a future course of action in each case. These evaluations constitute a significant new source of litigation in the remaining retrospective cases. At the same time, up to 10 percent of the reviews are likely to result in immediate terminations, thereby reducing the backlog.

Meanwhile, the Administration plans to add new vaccines to the Program, including those for Hepatitis "B" and Haemophilus Influenzae "B." And, as new vaccines such as the imminent chicken pox vaccine are developed and introduced, they too will likely be added to the Vaccine Program. While difficult to predict the impact, these additions will add to the number of cases filed. Moreover, the goal of the President's initiative is to double the number of vaccinations administered to children before the age of two. One consequence of this initiative will be to add to the number of prospective cases received.

Even before these changes take place, the Civil Division's Vaccine Program is facing a considerable funding dilemma. Since its inception, the Program has been underfunded. In 1993, 18 FTE and $2 million were appropriated to be reimbursed to the Civil Division from the Trust Fund. However, to meet mandatory disposition deadlines governing the truckloads of claims that were filed in 1991, as well as the new cases which continued to pour in, the Program required far more resources than those provided at the reimbursement level. In addition to the 18 FTE and $2 million reimbursed in 1993, the Division supplemented the Vaccine Program with 16 FTE and associated funding from its own appropriation.

ACCOMPLISHMENTS AND WORKLOAD: The workload of the Vaccine Staff is presented in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
Retrospective Cases Handled by the Vaccine Staff[1/]				
Pending Beginning of Year	3,490	3,022	2,572	2,069
Activations During Year	420	420	444	450
Terminated During Year	468	450	503	385
Pending End of Year	3,022	2,572	2,069	1,684
Preliminary Evaluations	...	...	1,100	1,200
Prospective Cases Handled by Vaccine Staff[2/]				
Pending Beginning of Year	123	247	334	584
Received During Year	191	141	300	400
Terminated During Year	67	54	50	50
Pending End of Year	247	334	584	934
Total Cases Handled by Vaccine Staff				
Pending Beginning of Year	3,613	3,269	2,906	2,653
Received During Year	191	141	300	400
Terminated During Year	535	504	553	435
Pending End of Year	3,269	2,906	2,653	2,618

1/ Cases with a vaccination date prior to October 1, 1988.

2/ Cases with a vaccination date after October 1, 1988.

The Vaccine Staff has been extremely successful in handling the tremendous volume of petitions filed under the Act. Since the Program began, more than 4,500 cases have been filed and over 1,500 have been brought to final disposition. Prior to the Division's involvement, compensation was awarded in 85 percent of all vaccine claims. Beginning in 1991, when the Civil Division began to represent HHS, the Vaccine Staff has prevailed in close to 75 percent of the 1,000 cases brought to trial, preserving scarce funds for those claimants who are rightfully entitled to compensation.

The Staff also assumed a noteworthy role in the Administration's initiative to reform health care. Aware of the success of the Vaccine Program, the President's Task Force on National Health Care Reform enlisted the support of the Civil Division in crafting aspects of its health care plan.

Several of the Vaccine Staff's achievements over the past year follow:

In Hellebrand and Hodges, the Court of Appeals reversed a lower court ruling that sudden infant death syndrome (SIDS) within three days of a DTP immunization constitutes a vaccine-related injury. In arguing successfully that the Vaccine Act did not extend to all deaths within 72 hours of vaccination, the Staff shielded the Government from over $12 million in potential liability. In Grimes and Widdoss, the Court of Appeals struck down a lower court ruling that allowed an extension to the 30-day limitations period for seeking review of a Special Master's decision before the Court of Federal Claims. The Staff argued successfully that this period was jurisdictional and not subject to tolling.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National Childhood Vaccine Injury Compensation Program	...	18	$2,000	...	24	$3,000	...	6	$1,000

With each Vaccine Staff attorney handling over 44 active cases, the current staff is stretched to the limit. New procedures will add 1,100 matters during 1994, rendering the program understaffed and exacerbating an existing funding shortage. The Civil Division proposes two measures to cope with this dilemma: 1) reducing operating costs by pursuing less expensive alternatives to controlling files; and 2) increasing reimbursement authority to cover total costs (net of the savings from item 1).[1/]

1/ This program increase does not include additional staffing and funds that will be required if S. 732, the Comprehensive Child Immunization Act of 1993, is enacted.

<u>Reduce Operating Costs</u>. Depending on the particular litigation requirements, Civil Division attorneys have three options for managing case files. For small and very active cases, attorneys maintain the records in their own offices. More often, the litigation records are held by the Division's active records units (ARU's), located in or near Branch space. However, some large case families have such vast and complex records requirements that the Division uses the Automated Litigation Support (ALS) contractor to establish and maintain the central master file of case documents. The use of ALS for fast-moving cases with massive document collections has proven very successful in managing case files in such records control applications as the Mariel Cuban Repatriation and Parole Program and more recently, the Childhood Vaccine Injury Program.

Over the course of a few days in 1990, no less than 3,000 petitions were filed under the National Childhood Vaccine Injury Act, creating a logistical nightmare for the small staff assigned to this program. ALS was the only means available at the time which could readily handle the crisis. The contractors quickly established a central repository for all petition-related files and created a corresponding data base to track the adjudication process. Effective petition processing procedures were developed so that coordination of petition review between HHS and the Civil Division could be accomplished within court-imposed deadlines. The initial push, establishing the central repository and building an on-line petition management tracking system, required a 24-member contractor team. This immediate provision of tailored systems and high-volume services enabled the Childhood Vaccine attorneys to stay a step ahead of opposing counsel in these swiftly moving litigations.

In the ensuing years, the character of files management in support of the Childhood Vaccine Injury Program has changed. Files must be maintained on the backlog of pending cases, while tracking focuses mainly on the active cases. Recognizing the opportunity to streamline the files operations and reduce costs, the Civil Division began a pilot program to have a portion of the more routine activities performed by the Childhood Vaccines Staff instead of ALS contractors. The success of the pilot effort convinced the Civil Division to convert support for the activated Childhood Vaccines Injury cases from contractor to Government staff. The files associated with the pending cases (those cases not yet activated by the court) will be managed by the Branch's ARU.

This conversion will entail relocating over 4,000 feet of petition files and separating the active files, for maintenance by the Childhood Vaccines Staff, from inactive, pending files destined for the ARU. In addition, the transition will involve a cross-over training period of six months to ensure the Division does not become less effective or responsive during the change. Seven term employees will be assigned to manage the files for the activated cases and take over the data base maintenance function. The cost of these employees will be reimbursed out of the Vaccine Trust Fund. The number of FTE for which the Civil Division gets reimbursed will need to be raised from 17 to 24.

This conversion will save $49,000 annually. To estimate savings, ALS costs were reduced from over $600,000 annually to $452,000, in line with the less rigorous procedures that will be employed in-house. To perform the equivalent amount of work, an in-house team of 7 employees (1 GS-9, 1 GS-7, 2 GS-6's, and 3 GS-5's) is required. Even when the costs of space rental and records management for the ARU are included, full year 1995 savings are projected as follows:

Costs if performed by ALS contractor:		$452,000
Costs if performed in-house with ARU support:		$403,000
Detail:		
7 term employees (sal and ben)	$329,000	
SLUC for ARU	$38,000	
Records Management	$36,000	
	=======	
Total 1995 Costs	$403,000	
1995 Savings:		$49,000

Increase Reimbursement Authority. Even with the implementation of the cost cutting measures outlined above, the Division will fall far short of closing the funding gap which currently exists in the Vaccine Program. In 1993, total expenditures for the attorneys and ancillary support required for the Program were just under $4 million, of which the Civil Division was only reimbursed for $2 million. A similar funding scenario is occurring in 1994: the Division will again only be reimbursed for $2 million. Although Congress clearly intended the implementation costs of the Program to be covered fully by the Trust Fund, the Division has, nonetheless, been forced to absorb millions of dollars annually to staff the Program adequately. Given the current budget climate, the Division's ability to continue to subsidize at the rate it has is in jeopardy. An increase in the reimbursable authority to $3 million in 1995 will help close the gap between the current reimbursable level and the actual costs of administering the Program. At a time when the President is placing a premium on health care reform, the adequate funding of a program designed to encourage the inoculation of children should be not be in question.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Commercial Litigation	320	325	$37,480	320	325	$39,912	315	325	$42,133	(5)	...	$2,221

LONG-RANGE GOAL: To protect the financial interests of the United States through the recovery and collection of monies owed to the Government and through the assertion of the Government's commercial interests in defensive litigation.

MAJOR OBJECTIVES:

To save the Treasury money by winning lawsuits and obtaining favorable settlements of contract, intellectual property, international trade and Government employment litigation brought against the United States.

To collect money owed to the United States as a result of defaulted contracts, unpaid loans, unsatisfied judgments, breach of grant agreements and misuse of benefit programs.

To recover funds lost through fraud and corruption in Government programs and to deter future losses by collecting the statutory penalties allowed for such violations.

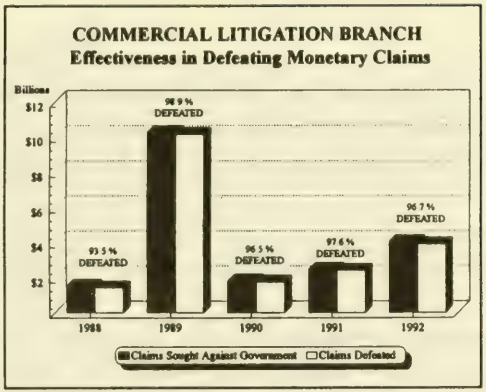
BASE PROGRAM DESCRIPTION: Because the Government engages in billions of dollars of lending, buying, selling and other commercial transactions each year, it encounters a wide spectrum of legal problems and disputes. The caseload of the Commercial Litigation Branch mirrors the Government's vast commercial undertakings. Branch attorneys handle contract disputes in the Court of Federal Claims, as well as pay disputes and claims for relief under the Civil Liberties Act. They represent the Government's financial and regulatory interests in large and complex Chapter 11 bankruptcy filings and loan default cases. They represent the Federal Deposit Insurance Corporation and the Resolution Trust Corporation in a slew of banking institution suits. They handle complex patent infringement and copyright litigation. They seek billions of dollars in recoveries for the United States in Medicare secondary payer claims and other insurance-related litigation. They handle thousands of customs cases in the Court of International Trade and represent the United States' interests in foreign courts, through the employment of foreign counsel. In addition to handling fraud lawsuits brought by private citizens pursuant to the False Claims Act, Commercial Litigation Branch attorneys bring numerous fraud suits, devoting considerable attention to procurement, health care and financial fraud actions.

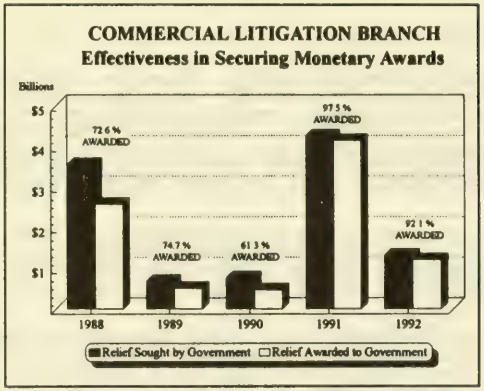
The Commercial Litigation Branch protects the Government's interests in actions seeking monetary judgments against the United States. This defensive litigation constitutes the majority of the Branch's cases. Of these cases, the most resource-intensive are the Court of Federal Claims cases -- highly complex, costly suits involving huge stakes. Two notable examples include the multi-billion dollar McDonnell Douglas A-12 Stealth fighter and Boeing Peace Shield claims. The requirements of these cases, with their combined document collections of over 70 million pages, are both unprecedented and staggering. Not only do they involve huge monetary claims, but these cases put at issue the Government's ability to use contractual mechanisms to control spending.

The Branch also initiates a growing number of civil actions to collect money owed to the Government as a result of various commercial and statutory activities. In 1989, affirmative litigation represented 15 percent of the Branch's caseload. Through the vigorous pursuit of money lost through fraud, bankruptcy and loan defaults, affirmative litigation represented 21 percent of the Branch's workload by the end of 1993. The work is paying off: in 1993, $538 million was awarded to the Government in Commercial Litigation cases. One notable trend within affirmative litigation is the growing number of the Branch's suits initiated by private citizens. While constituting just four percent of the Branch's affirmative trial caseload in 1989, qui tam cases accounted for 17 percent in 1993 and are expected to expand to 18 percent by 1995.

ACCOMPLISHMENTS AND WORKLOAD: The workload of the Commercial Litigation Branch is presented in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
Cases Handled by Commercial Staff				
Pending Beginning of Year	6,576	6,283	6,382	6,539
Received During Year	3,157	2,978	3,359	3,522
Terminated During Year	3,450	2,879	3,202	3,317
Pending End of Year	6,283	6,382	6,539	6,744
Direct Dollars at Issue (Millions)	$26,977	$27,509	$29,850	$31,529
Authorized for Litigation by U.S. Attorneys	5,341	4,789	5,299	5,334
Performance Measures				
Results in Personally Handled Defensive Trial Cases Terminated				
Percent of Dollars Claims Defeated	97	88	97	97
Dollars Defended (in Millions)	$4,036	$1,500	$3,817	$4,086
Claims Defeated (in Millions)	$3,903	$1,325	$3,702	$3,963
Results in Personally Handled Affirmative Trial Cases Terminated				
Percent of Dollar Claims Won	92	92	92	92
Relief Sought (Millions)	$1,321	$585	$604	$623
Relief Awarded (Millions)	$1,217	$538	$555	$573





The Commercial Litigation Branch measures its performance in defensive and affirmative cases by tracking the outcomes of monetary claims. With respect to defensive cases disposed, the Branch tracks the percentage of dollar claims defeated. Between 1988 and 1992, the Branch saved the Treasury huge sums by defeating an average of 97 percent of monetary claims sought. The chart above and to the left shows the percentage of dollar claims defeated by the Commercial Litigation Branch between 1988 and 1992.

With respect to affirmative cases disposed, the Branch tracks the dollar claims won as a percentage of total claims sought by the Government. The chart above and to the right shows the percentage of dollar claims won by the Commercial Litigation Branch between 1988 and 1992. During those years, on average, the Branch prevailed in over 83 percent of the claims sought for the Treasury; in 1992, the actual figure was 92 percent. Performance is expected to remain at the 1992 level through 1995.

Specific examples of the Commercial Litigation Branch's successful performance over the past year follow:

In a major qui tam suit filed under the False Claims Act, the Branch obtained a $39.8 million settlement with MetPath and MetWest, two of the Nation's largest independent blood testing laboratories, to settle charges that they made false blood test claims to the Department of Health and Human Services. In another major health care fraud case, Provident Life & Accident Insurance of Chattanooga, Tennessee, a major employer group health insurer, paid the U.S. $27 million to settle litigation brought to recover Medicare payments for health care services rendered to Medicare beneficiaries that should have been paid for under employer sponsored group health plans insured or administered by Provident. The case is one of several Medicare Secondary Payer cases where the Government seeks to recover from private insurance companies payments mistakenly made by the Medicare program.

The Branch achieved several significant victories in other fraud litigation. In First Data Resources, Inc., the Branch obtained a $22 million settlement -- the largest of its kind in the United States Postal Service's (USPS) history. USPS entered a contract with First Data Resources (FDR), a subsidiary of American Express Co., for a zip plus four information retrieval system. The Branch asserted that FDR failed to inform USPS about financial information which would have revealed that FDR had obtained a profit in excess of 90 percent on the original contract and that the follow-on contract would have resulted in similar profits. Last October, the Branch reached an agreement with Hughes Danbury Optical Systems and Perkin-Elmer Corporation, under which the companies will pay the U.S. $25 million to settle their liability for defects in the primary mirror of the Hubble Space Telescope. The Branch settled a False Claims Act case with USA Training Academy for an estimated $14.4 million. The Academy -- formerly one of the largest participants in the Department of Education's (DOE) Guaranteed Loan and Pell Grant programs -- and its majority owner, agreed to settle allegations that they defrauded DOE by falsely representing that the Academy was eligible to participate in the grant programs, failing to pay and delaying student refunds and falsifying records.

In Court of Federal Claims litigation, the Branch prevailed in its motion for summary judgment in YRT Services Corporation v. United States, in which a disappointed bidder challenged the National Park Service's award of a Yosemite National Park concessions contract. The judgment represents a significant victory for the Government both because of the contract's size, which was valued at more than $1 billion over 15 years, and because the case challenged whether the Park Service could write its own program for awarding such contracts.

The Branch overcame staggering discovery and logistical challenges in preparation for the initial trial in the A-12 Stealth fighter litigation. Both McDonnell Douglas and General Dynamics, the Nation's two largest defense contractors, began preparing claims six months prior to the Navy's termination of the contract in January 1991. They spent an additional six months after the action preparing their complaint, incurring annual litigation expenses of over $30 million. The Government's far smaller litigation team, through skillful organization and resource management, seized the litigation initiative from the plaintiffs and controlled the pace and scope of pre-trial activities. Of particular significance was the provision of vital automated litigation support resources for the review and control of 70 million pages of security sensitive documents.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Commercial Litigation	320	325	$39,912	315	325	$42,133	(5)	...	$2,221

For a description of the Branch's $994,000 in program reductions, see the Multi-Activity exhibit on page D-4.

A program increase of $3,215,000 is requested for Automated Legal Support (ALS) for the A-12 litigation. The A-12 stealth fighter claim is the largest contract default case in history. It confronts the Government with daunting challenges in evidence management and logistics. These challenges go to the core of the Government's ability to present its case and can only be met through the provision of ALS.

The first A-12 trial took place in September 1993 on the allegation of improper contract termination. The Court has not yet issued a definitive ruling on the issue; a decision is not expected until March 1994. The plaintiffs have asked the Judge for a trial on Count I (contract formation) to be scheduled in March 1994. Another, larger trial is anticipated in mid-1995 on the 19 remaining counts. A total of $2.7 billion rides on the outcome of these trials. If the Government loses, it will also be liable for interest on a portion of these claims -- which is mounting at a rate of some $200,000 per day, from December 30, 1990. An investment of $3,215,000 for ALS is needed for the Government to perform the massive tasks, meet the punishing schedule and defeat its well-financed opponents. Without ALS, an historic Government loss is likely.

ALS provides the defense with a support strike force suited to the unique features of this case:

- Massive Discovery Tasks. In this contract termination battle, the plaintiffs allege the Government had superior knowledge of stealth technology developed through the Air Force's B-2 and F-117A programs and withheld this essential production information from them. Plaintiffs also allege that the use of a fixed price contract was inappropriate for a state-of-the-art research and development project. The Government contends interim project delivery targets were never met and that the fighter as modelled would be too heavy to fly.

  To determine if the facts justify the Government's position, over 63.6 million pages of program documentation at seven sites nationwide will be evaluated (59 million pages held by the opponents and 4.6 million by the Government). These materials cover the history of the A-12 contract performance -- an immense aerospace program covering three years and involving over 160 subcontractor companies. The truth concerning the Government's position is buried in this mountain of contract documents (pre-award decision papers, contracting officer procurement documents and progress reports) and technical specifications (plaintiffs' engineering plans, computer modelling and internal reports related to aerodynamics, avionics and the alloys used in construction).

Government production of documents. Using ALS, the Government is meeting its discovery obligations. Over 3.8 million pages have been reviewed and produced, including all the program headquarters contractual documents. Documents remaining to be produced include approximately 800,000 pages of proprietary documents being produced under a protective order. The ALS production assistance entails a complete review for potential privilege claims and the creation of privilege indexes.

Plaintiff production of documents. ALS has enabled attorneys to select and obtain the highest priority materials for the Government's defense, being concurrently produced at 225,000 pages per week by the plaintiffs. ALS paralegals travel to the plaintiffs' sites to conduct extensive "one-time only" document reviews. They have obtained key contract planning documents from the files of the plaintiffs' senior management officials. Over 8 million pages have been reviewed and 4.2 million have been selected.

- Highly Technical Subject Matter. The technical subject matter involved in state-of-the-art aircraft development and construction adds to the complexity of this fact-intensive case. To skillfully present the Government's interpretation of the technical aspects of the case, the attorneys will rely on experts and Navy A-12 project staff. These technicians will need to review all of the pertinent materials related to avionics and the composite of materials the plaintiffs proposed to use in building the plane. From close study of the technical plans and specifications, conclusive evidence can be compiled concerning the weight and aerodynamics of the designed aircraft. Program documents will also form the basis of expert testimony on the maze of interrelated contract formulation and implementation documents, particularly regarding proof of recurring scheduling delays. The ALS team is creating an automated index of all the relevant contractual and technical A-12 documents. Using computer searches of the 1.3 million pages already indexed from the plaintiffs' senior management documents, the attorneys are preparing for depositions for the Government's affirmative case.

- National Security Issues. The extreme sensitivity of stealth technology creates unique case preparation hardships. The Navy classified the entire A-12 project as a "Special Access Program" under which all documents, all copies of documents and all documents later generated containing A-12 data must be handled in conformity with security regulations. Every document that the attorneys borrow, copy or write is classified and distribution must be tracked and controlled. ALS staff provided its expertise to establish a secure facility (SCIF) in which the attorneys can work with these highly sensitive documents. The staff established the document collection library, the self-contained computer system and all office automation for the SCIF.

- Punishing Schedule. A crushing litigation schedule will ensue over the next year and a half, including massive and concurrent pre-trial activities. To make matters worse, the plaintiffs enjoy a substantial head start in their case preparation -- counsel for the plaintiffs were preparing claims six months prior to contract termination and spent six additional months after the action preparing their complaint. Likewise, the plaintiffs have employed consultants, schedule analysis experts and document processing support staff for over two years and are spending over $30 million per year to litigate the case.

Through 1995, three major litigation tasks requiring ALS must be accomplished or the Government will not prevail: 1) completion of discovery (document productions by both parties); 2) pre-trial preparations (research using our computerized document index to prepare for depositions, to respond to interrogatories and requests for admission and to prepare our witnesses and experts); and 3) trial support.

- Discovery. For document discovery, the Government must produce the balance of its materials (800,000 pages), and, for purposes of a coherent defense and affirmative case, it must pursue review of the remaining plaintiff documents (51 million pages). Through continued careful reviews, augmented by what is learned through depositions and other discovery, the Government team plans to select much less from the remaining lower-priority plaintiff collections. ALS staff will be essential in making these selections in the field. In 1994, the plan calls for completing the Government's defensive discovery obligations and half of the affirmative discovery. The remainder of the plaintiffs' collections will be reviewed during the first six months of 1995.

- Document Computerization. Government attorneys also face other enormous pre-trial activities. Over 500 depositions are anticipated, lasting three to four days apiece, each of which will require thorough review of documents related to the deponent. For example, the plaintiffs have already taken the depositions of 23 high-level Department of Defense (DOD) officials involved in the contract termination decision making process, including former Defense Secretary Dick Cheney, General Colin Powell, former Chairman of the Joint Chiefs of Staff, and other high ranking officials. The plaintiffs have submitted over 1,000 interrogatories which will require responses aided by an automated index to the documents. During the continued discovery activities the automated index for 6 to 12 million pages of the most critical materials must be completed. The ALS system is already providing attorneys with invaluable services, as demonstrated by the events of the recent hearing on the "superior knowledge" claim -- on only four days notice of the hearing, key research was conducted, exhibits determined and courtroom graphics prepared, all through the use of ALS.

  For the 1993 trial on improper contract termination, 200,000 pages from the Government program office and 975,000 pages from the plaintiffs' senior management officials were computerized. In preparation for trial in mid-1995 on remaining issues, the ALS plan calls for computerization of 4 million pages of affirmative discovery in 1994 and an additional 2 million pages during the first half of 1995.

- Trial Support. For the 1995 trial, ALS will consist of paralegal teams supporting each component of the Government's defense. This staff will be familiar with the discovery, the case issues and the attorneys. The ALS paralegals, systems staff and the on-line automated systems will be vital during these fast-paced trials -- to prepare and control the Government's exhibits and to prepare for the plaintiffs' witnesses and evidence.

The 1995 trial will be the largest and most complicated in the history of the Court of Federal Claims -- with the plaintiffs and the Government each presenting hundreds of witnesses and tens of thousands of exhibits. The trial will have short deadlines and rapidly changing needs. For example, in the 1993 trial the plaintiffs were obligated to provide their witness list and related exhibits only 20 days prior to the start of the trial. For the 1995 trial, similar scheduling will mean intense preparation efforts. ALS will be required throughout the presentation of the plaintiffs' case, particularly as the Court is expected to permit schedule modifications to accommodate additional witnesses and exhibits. It is likely that no significant facts can be stipulated by the parties in advance of the trial -- leading to hotly contested evidentiary battles concerning a great number of the exhibits. All activities surrounding the exhibits generate greater requirements on the attorneys -- more authentication issues, more questions on exhibit status and more concerns on consistency of offers.

Rapid access to and retrieval of evidence will be crucial. The Government's defense will depend on the strike force-responsiveness of the ALS team.

Finally, the remaining A-12 trial will be resource-intensive because of the security restrictions surrounding the subject matter. The security requirements of the A-12 stealth technology, by the admission of the Justice Department's security staff, go far beyond any past litigation experience, even those involving the Iran-Contra trials. The ALS team will ensure that the process of numbering and tracking all materials is letter-perfect and that coordination with the security components of the litigation concerning the Government's exhibits is performed with all possible dispatch.

To date, ALS costs have been shared by the Navy and the Civil Division. In 1992, the Navy's share was $1.2 million and the Civil Division's share was $3.4 million. In 1993, the Navy's share was $3.7 million and the Civil Division's share was $2.8 million. Because the 1994 Department of Justice appropriation did not include a funding increase for ALS, most of the 1994 funding for ALS is being provided by the Navy. 1994 funding is primarily for discovery and computerization requirements associated with the 1995 A-12 trial[1/].

In 1995, there are sufficient funds between DOJ and DOD to complete discovery. However, base funding in 1995 will fall short in providing essential trial support. Because trial support is a litigation activity not authorized to be funded out of the DOD appropriation, these expenditures must be funded out of the DOJ appropriation. At base Civil Division funding levels in 1995, only $884,000 will be available for A-12 trial support costs. An investment of $3,215,000 is necessary to cover the remaining trial support costs anticipated for 1995. The chart on the following page indicates how this investment, and the Navy's 1995 contribution, will be used to complete the tasks of discovery, document computerization and trial support.

1/ The dollars for automated litigation support in the galleys included dollars for personnel, equipment, computer services and funds carried forward into 1994. The dollars should have reflected only automated litigation support contracts which are (rounded to thousands):

1993 Actual	1994 Estimate	1995 Estimate
$4,016	$4,069	$7,678

1995 A-12 ALS COSTS BY TASK
(Dollars in Thousands)

Funding Source	Discovery	Computerize Documents	Trial Support	Total
DOJ Base	0	$2,133	$884	$3,017
DOJ Increase	0	0	$3,215	$3,215
NAVY Reimbursement	$2,629	$139	0	$2,768
Total	$2,629	$2,272	$4,099	$9,000

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Programs	155	149	$14,991	155	149	$15,813	152	146	$15,353	(3)	(3)	($460)

LONG-RANGE GOAL: To successfully defend against challenges to Federal programs, policies and initiatives and to enforce remedies for statutory violations of Federal programs.

MAJOR OBJECTIVES:

To prevail on behalf of the United States in civil litigation in defense of the programs, policies, initiatives and decisions of the President, Executive Branch agencies and officials of the Legislative and Judicial Branches.

To remedy statutory and regulatory violations through the successful pursuit of affirmative litigation.

BASE PROGRAM DESCRIPTION: The Federal Programs Branch is the legal representative for the United States Government. Because the Government's impact is so extensive and varied, its programs and policies frequently come under fire -- not only in the press, but in the civil courts as well. High-profile policy changes, regulatory initiatives and the introduction of new programs have always triggered a round of civil challenges.

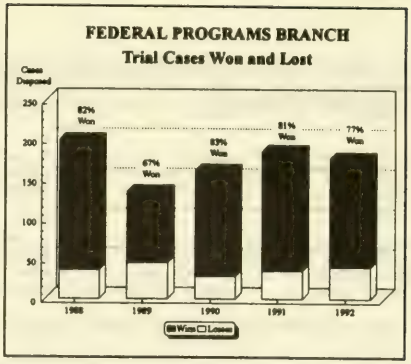
The Branch's litigation mirrors the array of Government activities spanning agencies, Congress, the Federal judiciary, Cabinet members and other Federal executives. Many lawsuits are aimed at entitlement programs such as Medicare and Medicaid and the outcomes have huge budgetary implications. Other lawsuits are the consequence of public controversy such as the military's policy on the employment of homosexuals. On occasion, the White House is the target of litigation -- its record keeping practices have been attacked across numerous Administrations. More recently, the President's Task Force on National Health Care Reform was sued unsuccessfully by the Association of American Physicians and Surgeons for allegedly failing to conform to the Federal Advisory Committee Act (FACA).

Any policy change (or even potential policy change) is likely to be the subject of a lawsuit as long as some significant element of the public opposes the change. It is up to the Federal Programs Branch to provide the strongest possible legal defense of critical Administration initiatives. The Branch's caseload is expected to increase by 16 percent -- from 898 cases to 1,046 cases -- between 1993 and 1995.

ACCOMPLISHMENTS AND WORKLOAD: The workload of the Federal Programs Branch is presented in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
Cases Handled by Federal Programs Staff				
Pending Beginning of Year	564	518	534	562
Received During Year	382	380	448	484
Terminated During Year	428	364	420	445
Pending End of Year	518	534	562	601
Direct Dollars at Issue (Millions)	$2,473	$2,542	$2,939	$2,428
Authorized for Litigation by U.S. Attorneys	2,682	2,680	3,245	3,422
Performance Measures				
Results in Personally Handled Trial Cases Terminated				
Percent Favorable Outcomes	77	77	77	77

The Federal Programs Branch measures its performance by tracking the percentage of trial cases disposed in which successful outcomes were obtained. The chart to the right shows the Branch's rate of successful outcomes in trial cases between 1988 and 1992 -- on average 78 percent of the case outcomes were favorable to the Government. In 1992, the actual figure was 77 percent. The Branch expects to be able to continue its 1992 level of performance through 1995.



Specific examples of the Federal Program Branch's outstanding record over the past year follow:

In Phillips v. Aspin, the Branch defeated a homosexual servicemember's constitutional challenge to President Clinton's January 29, 1993, statement regarding gays in the military. The President's statement permits the military to transfer acknowledged homosexuals, with the consent of the Attorney General, to the standby reserve -- a non-paying status. The District Court declined to issue a temporary restraining order staying the plaintiff's separation proceedings, ruling that although being "placed in the standby reserve would be unpleasant for plaintiff or any other person, that in itself would not constitute the kind of 'genuinely extraordinary' harm that is necessary to justify intervention by a court in a military discharge proceeding."

Responding to the severe crisis in the thrift industry, Congress phased out the treatment of goodwill as capital in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). Consequently, thrifts asserted over 30 Court of Federal Claims suits alleging that FIRREA's passage breached their government contracts. In three consolidated cases -- Winstar v. United States, Glendale v. United States and Statesman v. United States -- the Court of Appeals for the Federal Circuit reversed the lower courts' finding of governmental liability. The Federal Circuit found that no contract right to the continued treatment of goodwill as capital existed, notwithstanding subsequent legislative changes. In Glendale alone, the plaintiffs had sought damages of between one and five billion dollars.

In Turner Broadcast System v. FCC and Time Warner Entertainment Co. L.P. v. FCC, the District Court upheld Congress' authority to regulate cable rates, require cable operators to permit the public and other broadcasters access to cable systems, impose liability on cable operators for showing obscene fare and permit municipalities to compete with their cable franchises. These rulings, if sustained on appeal, should advance Congress' efforts to enhance competition in the video marketplace.

The Branch also made significant progress in augmenting public access to documents made available under the Freedom of Information Act (FOIA) and the Privacy Act. In 1993, the Branch's FOIA Office processed over 500 requests for access to records, while reducing the average processing time by approximately 10 percent from the previous year. In response to the JFK Assassination Records Collection Act of 1992, the Office garnered and processed records and provided them to the National Archives to be included in its President John F. Kennedy Assassination Records Collection.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Programs	155	149	$15,813	152	146	$15,353	(3)	(3)	($460)

For a description of program reductions, see the Multi-Activity exhibit on page D-4.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Consumer Litigation	35	39	$3,682	35	39	$3,888	35	39	$3,854	...	...	($34)

LONG-RANGE GOAL: To protect consumers from defective or harmful products and from unfair and deceptive trade practices.

MAJOR OBJECTIVES:

To enforce Federal consumer protection statutes through the institution of affirmative civil litigation.

To consider the prosecutorial merit of criminal matters under consumer protection statutes and initiate or assist in the conduct of appropriate criminal proceedings.

To defend the United States when initiatives and programs of the principal consumer protection agencies are challenged in court.

BASE PROGRAM DESCRIPTION: The Office of Consumer Litigation coordinates Federal consumer protection efforts. In this role, the Office conducts litigation under Federal statutes that protect public health and safety and regulate unfair and deceptive trade practices in interstate commerce. The Office defends the programs, policies and decisions of the Government in consumer-related areas and enforces those policies by both civil and criminal sanctions in order to avert health risks to the public and to deter economic fraud.

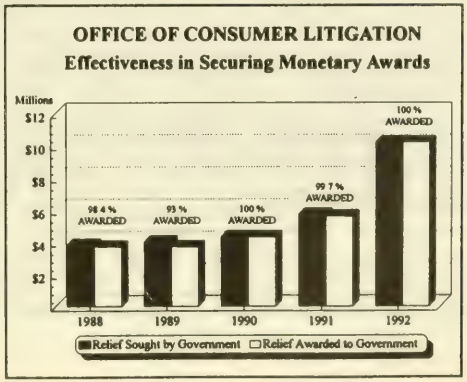
Referrals from the Food and Drug Administration (FDA), which carry the potential to result in criminal prosecutions, constitute a major focus of the Office. The Office initiates affirmative litigation to ensure that unsafe and adulterated food and drugs do not reach the marketplace, protects the integrity of the drug approval process and enforces Federal policies in the regulation of food.

Other litigation targets activities which bilk American consumers of billions of dollars annually -- odometer tampering, unfair debt collection, consumer credit practices and door-to-door and mail order sales. The Office also enforces administrative orders relating to price fixing and divestiture, unfair and deceptive advertising practices and cigarette and automobile labeling.

ACCOMPLISHMENTS AND WORKLOAD: The workload of the Office of Consumer Litigation is presented in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
Cases Handled by Consumer Staff				
Pending Beginning of Year	443	463	491	494
Received During Year	214	150	160	172
Terminated During Year	194	122	157	154
Pending End of Year	463	491	494	512
Received and Referred to U.S. Attorneys	200	126	127	132
Performance Measures				
Results in Personally Handled Trial Cases Terminated				
Percent of Dollars Recovered	100	98	98	98
Fines and Penalties Sought (in Millions)	$10.2	$9.8	$9.8	$10.3
Fines and Penalties Awarded (in Millions)	$10.2	$9.6	$9.6	$10.1

The Office measures its performance by tracking the percentage of dollar claims won out of total dollars sought by the Government. The chart to the right shows the Office's track record between 1988 and 1992, revealing that an average of 98 percent of claims sought were recovered. The Office expects to be able to continue this level of performance through 1995.



Several of the Office of Consumer Litigation's accomplishments over the past year follow:

The Office obtained a favorable outcome regarding concerns over the safety of the Nation's blood supply, which was prompted by FDA inspections and observations of the American National Red Cross. The Office and FDA identified numerous problems at Red Cross centers nationwide, including: inadequate training; insufficient computer systems to ensure accurate data entry; lack of sufficient quality control through uniform testing procedures; inaccurate error and accident reporting; and unsatisfactory internal audit procedures. In United States v. American National Red Cross, the Office negotiated a Consent Decree with the defendant that establishes

specific quality assurance and training procedures which the Red Cross must implement. The Decree also creates a dialogue between the FDA and the Red Cross to resolve future questions concerning blood safety issues and requires the Red Cross to pay $1.25 million to cover the cost of FDA supervision of the Red Cross' activities. The Decree's terms have since been used by the FDA as a basis for promulgating regulations that would mandate similar management controls on all blood collection, processing and distribution firms.

In November 1993, the Office obtained a five-year prison sentence for Walter Jekot, a prominent California physician who had for many years been illegally distributing smuggled steroids, human growth hormone and veterinary drugs to individuals for muscle enhancement purposes. In setting the sentence, the court found that Dr. Jekot had evinced a reckless disregard of serious bodily injury to his customers, had abused his medical license in obtaining and distributing the drugs and had falsified his medical records, including insurance claims, to mask his illegal distribution. This represents the longest Federal sentence a physician has ever received for illegally distributing anabolic steroids and human growth hormone.

The Office spearheaded a nationwide investigation into the smuggling and illegal distribution of unapproved animal drugs for use in food-producing animals. These insidious drugs, which can remain in the flesh of slaughtered livestock as well as in eggs and milk, endanger consumers as the drugs make their way from the feedlots to the dinner table. Thus far, more than 60 tons of unapproved drugs and more than 10 tons of manufacturing equipment have been seized, the wholesale value of which exceeds $5 million. Moreover, the Branch has obtained the conviction of 48 individuals and eight companies on various charges including conspiracy, smuggling, false statements and violations of the Federal Food, Drug and Cosmetic Act (FDCA).

The Office also investigated economic fraud that violates the FDCA's food labeling requirements, particularly those cases involving the substitution of cheaper ingredients for more expensive ones. In United States v. Flavor Fresh Foods, et al., the Office obtained criminal convictions against Flavor Fresh Foods of Chicago and eleven individuals in a $45 million international conspiracy to adulterate fruit juice products. In August and November 1993, the defendants received prison terms of up to five years and the corporation was fined $320,000.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Consumer Litigation	35	39	$3,888	35	39	$3,854	...	...	($34)

For a description of program reductions, see the Multi-Activity exhibit on page D-4.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Immigration Litigation	55	63	$6,762	55	63	$7,019	55	63	$6,988	...	...	($31)

LONG-RANGE GOAL: To successfully defend challenges to immigration programs, policies and initiatives and to conduct civil litigation under the immigration and naturalization laws.

MAJOR OBJECTIVES:

To prevail in all civil immigration litigation arising under the Immigration and Nationality Act and related laws, including appellate litigation challenging trial court or administrative decisions in favor of the United States.

To promote and uphold enforcement activities involving the apprehension, detention and expulsion of aliens who lack lawful authority to remain in the United States.

To represent the United States in civil litigation brought against officers of the Immigration and Naturalization Service and other immigration-interested agencies in their official capacities.

BASE PROGRAM DESCRIPTION: Throughout this Nation's history, immigration policy has been revamped periodically in reaction to the interplay of domestic needs and international events. Most administrations have had to grapple with the complex issues posed by the possibility of massive influxes of people. The ability to frame and implement a cogent immigration policy is a priority shared by the Executive and Legislative Branches alike. That ability requires the existence of a cadre of attorneys fluent in immigration law who can provide a consistent and effective defense against challenges to immigration policies and procedures. This is the mission of the Office of Immigration Litigation.

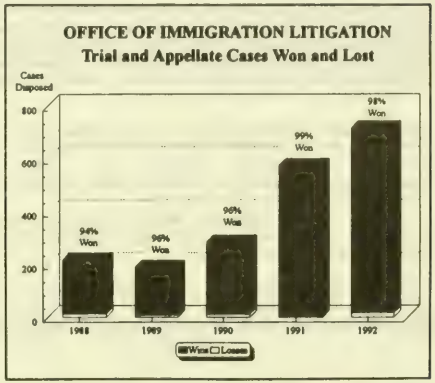
Immigration litigation tends to be a volatile arena. This arises from the diverse nature of the Immigration and Naturalization Service's (INS) mission -- to determine who will be authorized to work, who will be reunited with their families, who will be granted asylum and who will be deported. INS determinations affect the Nation's labor pool, its conduct of foreign policy and its ability to secure its borders. Because the stakes are so high, thousands of cases flood the courts each year. Areas of litigation include individual challenges to enforcement actions, class action attacks on statutes and programs as well as suits directed against Government officials responsible for regulating the Nation's borders. The Office is responsible for District and Circuit Court challenges to the apprehension, detention and deportation of aliens, the issuance of visas and passports and the Government's response to applications for naturalization, political asylum and other immigration benefits.

Between 1993 and 1995, the Office's caseload is expected to continue its sharp upward rise, growing 39 percent from 1,969 cases to 2,735 cases. This surge is a direct result of staggering growth in the INS's workload: as apprehensions and adjudications increase, the number of legal challenges in the Office's docket rise commensurately.

ACCOMPLISHMENTS AND WORKLOAD: The workload of the Office of Immigration Litigation is presented in the following table:

Item	1992	1993	Estimates 1994	Estimates 1995
Cases Handled by Immigration Staff				
Pending Beginning of Year	651	866	912	1,080
Received During Year	1,020	1,103	1,387	1,655
Terminated During Year	805	1,057	1,219	1,433
Pending End of Year	866	912	1,080	1,302
Authorized for Litigation by U.S. Attorneys	896	819	715	794
Performance Measures				
Results in Personally Handled Trial and Appellate Cases Terminated				
Percent Favorable Outcomes	98	97	97	97

The Office measures its performance by tracking the percentage of trial and appellate cases won. The chart to the right shows the Office's successful outcomes between 1988 and 1992 -- an average success rate of 97 percent.



Specific examples of the Office of Immigration Litigation's successes over the past year include the following:

In Tai Chu Wong v. Ilchert, the Ninth Circuit affirmed a determination that a citizen of Hong Kong who applied for and received a Chinese passport while in the United States was not entitled to the benefits of the Executive Order President Bush promulgated to protect Chinese students following the events in Tienamen Square. Since China routinely issues passports to Hong Kong residents, this decision closes a serious loophole which existed in Hong Kong migration limits.

The Office also achieved several victories among its growing docket of claims by criminal aliens seeking to avoid expulsion from the U.S. or to compel the Attorney General to remove detainers intended to assure expulsion after the aliens complete their criminal sentences. In Iredia v. INS, the Fifth Circuit upheld the Board of Immigration Appeal's (BIA) finding that the plaintiff was deportable for having been convicted of two crimes -- obtaining 13 credit cards under the names of various persons, creating a fictitious business and making purchases of non-existent equipment with the credit cards.

In Felix Gonzalez Gisbert v. U.S. Attorney General, excludable Mariel Cubans challenged unsuccessfully their indefinite detention. The Fifth Circuit found that the continued detention of inadmissible aliens who had committed crimes in the U.S. did not constitute punishment or otherwise violate substantive or procedural due process. The Court of Appeals also ruled that implicit statutory authority existed to detain such aliens indefinitely, so long as no country was willing and able to accept them. The Court rejected the aliens' claim that their continued detention is in violation of binding international law.

In Jaime Salvador Flores-Arellano v. INS, the Ninth Circuit affirmed the BIA's finding that a misdemeanor state conviction for use and being under the influence of a controlled substance represents a conviction for a "violation of...any law...relating to a controlled substance," thereby rendering the alien deportable.

In Jaramillo v. INS, the Eleventh Circuit aligned itself with the Fifth and Seventh Circuits in adopting the BIA's stance that lawful permanent resident status terminates when a deportation order becomes administratively final. Citing the importance of uniformly administering immigration laws, the Court found that BIA's position was reasonable and, following Supreme Court precedent, accordingly deferred to the Board.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Immigration Litigation	55	63	$7,019	55	63	$6,988	...	...	($31)

For a description of program reductions, see the Multi-Activity exhibit on page D-4.

Additional resources for affirmative asylum reform have been requested in the Crime Control Fund. The Division has requested 58 positions, 31 workyears and $4,679,000.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration . . .	104	113	$10,861	104	113	$11,426	111	117	$11,363	7	4	($63)

LONG-RANGE GOAL: Direct the conduct and supervision of all litigation and other matters delegated to the Civil Division by the Attorney General and other Administration officials in an economical and successful manner.

MAJOR OBJECTIVES:

To provide legal guidance on Administration policies, programs and initiatives.

To assist in reducing the Federal deficit by effectively managing high-stakes litigation and by avoiding unnecessary litigation costs.

To invest in the highest caliber human capital and support systems to improve attorney productivity and promote excellence.

BASE PROGRAM DESCRIPTION: As the "Government's lawyer," the Civil Division defends programs vital to the Nation, representing up to 200 "clients" yearly from all branches of the Government. The lion's share of the cases involve huge monetary claims -- dollars at issue totalled almost $86 billion in 1993. Not only must the Civil Division assert the Government's financial interests in the courts, it must conduct and manage litigation in a financially responsible manner. The Division has promoted the productivity of its attorneys by investing in the following technologies:

- Automated Litigation Support (ALS). ALS is a chief factor in winning cases and enhancing productivity. It provides a practical means of putting millions of pages of evidentiary documents at attorneys' fingertips -- freeing them to develop legal theories and case strategies. Document screening, microfilming, computerization and trial preparation services provided via contract afford essential flexibility to a work environment characterized by sudden change. The ALS spigot can be turned on and off in response to precipitous case developments such as the influx in one day of some 3,000 Vaccine claims or the re-activation of the long-dormant multi-billion dollar WPPSS litigation. This feature of the program has been pivotal in winning cases ranging from EXXON VALDEZ to Kaye Scholer.

- Office automation. AMICUS is the Division's integrated, automated, legal and management system. When it was developed in 1981, AMICUS broke new ground in labor saving techniques. Now it serves over 3,100 employees Department-wide. By providing instant access to word processing, electronic mail, automated legal data bases and brief banks, electronic spreadsheets, database management and other internal and external databases, AMICUS enables better organization and management of work efforts, elements critical to greater efficiency and effectiveness.

- Automated case management. CASES, the Division's Automated Case Management System, is a multi-purpose and invaluable management tool. Through CASES, the Division's managers are able to track cases from receipt to judgment enforcement, tracing litigation histories and evaluating trends and resource use with a few keystrokes. This productivity-enhancing innovation ushered in the legal divisions' first totally automated case management system and continues to set the standard for case and time tracking for the Department.

ACCOMPLISHMENTS AND WORKLOAD: The following table provides total summary data on cases personally handled by the Civil Division. The data is derived from CASES, the Division's automated case tracking and timekeeping system. Projections are based on historical data.

Item	1992	1993	Estimates 1994	Estimates 1995
Cases Handled by Civil Division				
Pending Beginning of Year	16,005	13,609	13,576	14,025
Received During Year	7,623	7,208	8,337	9,137
Terminated During Year	10,019	7,241	7,888	8,353
Pending End of Year	13,609	13,576	14,025	14,809
Direct Dollars at Issue (Million)	$84,562	$85,878	$98,267	$106,283
Received and Referred to U.S. Attorneys	13,738	13,387	14,727	15,255

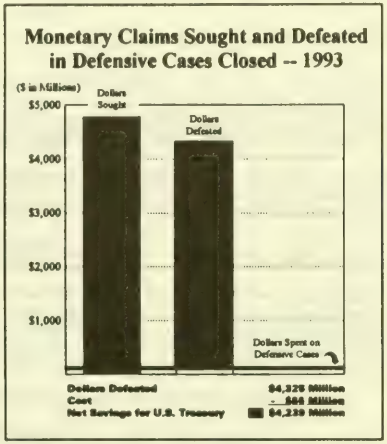
The successful efforts of the Civil Division generate concrete savings for the U.S. Treasury. In 1993, the Division defeated the vast majority of claims against the Government, saving the Treasury billions of dollars. Awards and settlements were secured in a wide range of affirmative cases including Savings and Loan, DOD and health care fraud; qui tam suits; loan defaults; bankruptcies; counterfeit drugs and environmental damage. In 1993, total collections far exceeded adverse claims awarded, generating a substantial net yield to the Treasury:

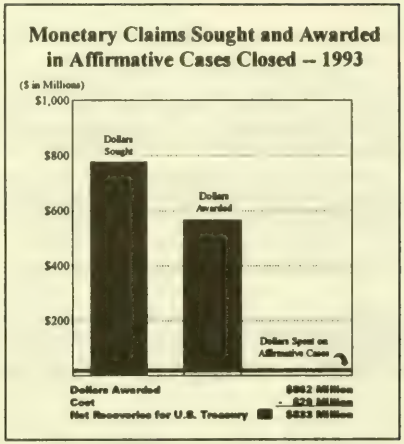
- Affirmative Awards. The Division secured $562 million for the Government in court-imposed awards and negotiated settlements.

- Collections. Although many awards and settlements require long-term servicing, collections by the Civil Division or its client agencies totaled almost $343 million, of which $318 million was cash deposited in the Treasury, $3 million was property transferred to the U.S. and $22 million was offsets of agency obligations.

- Defense Against Monetary Claims. In cases defended by the Division, claimants sought payouts by the Government of $4.8 billion. Approximately 91 percent of these claims were defeated, with Government losses held to just $449 million.

A graphic depiction of the Civil Division's profitability follows:





With respect to rate of return over expenditures, few organizations can boast of a higher yield. At the 1993 budget of $114.4 million, for each dollar spent, nearly $5 in monetary recoveries were achieved; almost $3 in cash collections were returned to the U.S. Treasury.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration	104	113	$11,426	111	117	$11,363	7	4	($63)

For a description of program reductions, see the Multi-Activity exhibit on page D-4.

A program increase of 7 positions and 4 workyears is requested to return two "contracted-out" functions to less expensive "in-house" performance, based upon an analysis of actual contract and known Government costs. Throughout the 1980's the Civil Division aggressively pursued the policy embodied in OMB Circular A-76 which encouraged use of the private sector for functions that were not deemed to be inherently Governmental. Decisions to move from Government employee to contractor-provided support were based on estimates of potential savings over time. In some instances, projected dollar savings did not materialize -- actual contract costs have been higher than the costs that would be incurred if performed by Government employees.

Computer Programming. Since 1984 all programming and some system design work for the Civil Division's Case Management System has been performed by contractors. This work has resulted in many important enhancements such as the ability to track the status of claims filed under the Radiation Exposure Compensation Program (RECA).

While the arrangement has been successful in terms of the Civil Division's ability to generate vital case management data, in 1993, the contract costs exceeded the costs of comparable services that could be performed in-house by about $111,000. Currently, the Civil Division's contractor charges $207,000 for 2 workyears of programming. In addition, the Civil Division supplies the programmers (and incurs the costs for) with facilities and equipment. The salaries and benefits associated with using in-house personnel (1 GS-12 and 1 GS-11) to perform the same functions in 1993 would have been $96,000. No additional facilities or equipment costs would be incurred as a result of the conversion.

The above-referenced programming contract expired at the end of 1993. A replacement contract was awarded at $148,000. Even at this lower contract cost, the required service can be performed more cheaply in-house by 1 GS-12 and 1 GS-11 (estimated equivalent positions at 1995 rates). Because the projected contract costs assume that the Civil Division will continue to furnish the facilities and equipment, to estimate relative costs, it is necessary to compare the 1995 salaries and benefits for 1 GS-12 and 1 GS-11 with the expected 1995 contract costs. Assuming a six month lag in the transition (and, therefore, costing at a rate of 1 workyear), 1995 savings are estimated as follows:

Costs if performed by contract:		$148,000
Costs if converted to in-house:		$124,000
Detail:		
Contractor (6 months)	$74,000	
Salaries and Benefits for 1 GS-12 and 1 GS-11 (1 FTE)	$50,000	
Total 1995 Costs	$124,000	
1995 Savings:		$24,000
Annualized Savings:		$54,000

Because the Case Management System provides information vital to managing a huge caseload, setting priorities and allocating resources, no consideration is being given to abolishing the programming function. The Civil Division seeks to continue this program in a less costly manner. An estimated $24,000 in savings can be generated in 1995 -- without the loss of a single capability -- by adding 2 positions and 1 FTE. The full-year savings will reach $54,000 by 1996.

Accounts Maintenance. In 1985, the Civil Division converted its accounts maintenance functions from in-house to contractor-performed activities. As a result, the following routine functions are now performed by contractors: recording obligations against appropriated funds; handling trust fund payment records; processing bills against prior obligations; maintaining files of obligation and payment documents; and collecting and distributing payroll documents such as the time and attendance sheets and leave and earnings statements.

While this arrangement has been successful in safeguarding and controlling the Civil Division's monetary resources, the same functions could be performed at a lower cost if the operation were to be shifted to in-house performance. In 1993, the Civil Division paid $235,000 for 5 workyears. It also provided the contractor with the facilities and equipment needed to support the operation. Using 5 workyears of Government staff, (1 GS-12, 1 GS-9, 1 GS-7 and 2 GS-4's) the 1993 costs would have been $160,000. At these rates, $75,000 would have been saved if the work had been performed in-house.

Based on the costs that were bid by the contractor, 1995 contract costs are estimated to rise to $257,000. Again, the only Government costs that need to be compared are for salaries and benefits, as the same costs for facilities and equipment would be incurred under either option. Assuming a mid-year conversion, 1995 savings are estimated as follows:

Costs if performed by contract:		$257,000
Costs if convert to in-house:		$210,000
Detail:		
Contractor (6 months)	$128,000	
Salaries and benefits for 5 Government employees (3 FTE)	$82,000	
Total 1995 Costs	$210,000	
1995 Savings:		$47,000
Annualized Savings:		$89,000

Accounts maintenance is a function that must be performed. Because substantial administrative costs can be cut without any deterioration in service, the approval of an additional 5 positions and 3 FTE is sought for 1995.

Civil Division
Salaries and expenses, General Legal Activities
Financial Analysis - Program Changes
(Dollars in thousands)

	Appellate				Torts				Commercial					Federal Programs			
	Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay	Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay	Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay		Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay
	Pos.	Amount	Amount	Amount	Pos.	Amount	Amount	Amount	Pos.	Amount	Amount	Amount	ALS-A-12 Amount	Pos.	Amount	Amount	Amount
Grades																	
GS/GM-14	...	...	...	...	(1)	(59)	...	...	(1)	(59)	...	...	...	...	...	...	...
GS/GM-13	(1)	(50)	...	...	(2)	(100)	...	...	(1)	(50)	...	...	...	(2)	(100)	...	...
GS-12	...	...	...	...	(1)	(42)	...	...	(1)	(42)	...	...	...	...	...	...	...
GS-11	...	...	...	...	(3)	(105)	...	...	(1)	(35)	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
GS-6	...	...	...	...	...	...	...	...	(1)	(21)	...	...	...	(1)	(21)	...	...
GS-4	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	(1)	(50)	...	...	(7)	(306)	...	...	(5)	(207)	...	...	...	(3)	(121)	...	...
Lapse	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	(5)	(50)	...	(9)	(7)	(306)	...	(23)	...	(207)	...	(234)	...	(3)	(121)	...	(16)
Personnel benefits	...	(15)	...	...	...	(93)	...	...	...	(62)	...	...	...	...	(36)	...	...
Travel and transportation	...	(9)	...	...	...	(39)	...	...	...	(28)	...	...	...	...	(18)	...	...
Transportation of things	...	...	...	...	...	(3)	...	...	...	(2)	...	...	...	...	(1)	...	...
GSA Rent	...	(8)	...	...	...	(50)	...	...	...	(34)	...	...	...	...	(20)	...	...
Other rent	...	(1)	...	...	...	(8)	...	...	...	(6)	...	...	...	...	(4)	...	...
Printing	...	(1)	...	...	...	(8)	...	...	...	(6)	...	...	...	...	(4)	...	...
Other services	...	(11)	(40)	...	...	(84)	(645)	...	...	(52)	(158)	...	3,215	...	(50)	(81)	...
Supplies and materials	...	(1)	...	...	...	(7)	...	...	...	(5)	...	...	...	...	(3)	...	...
Equipment	...	(12)	...	(39)	...	(84)	...	(101)	...	(60)	...	(140)	...	...	(36)	...	(70)
Total program workyears and obligations 1995	(5)	(108)	(40)	(48)	(7)	(682)	(645)	(124)	...	(462)	(158)	(374)	3,215	(3)	(293)	(81)	(86)

Civil Division
Salaries and expenses, General Legal Activities
Financial Analysis - Program Changes
(Dollars in thousands)

	Consumer				Immigration				Management and Administration				Total				
	Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay	Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay	Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay	Permanent cut in Pos. & FTE		Admin. Reduc.	Locality Pay	ALS-A-12
	Pos.	Amount	Amount	Amount	Pos.	Amount	Amount	Amount	Pos.	Amount	Amount	Amount	Pos.	Amount	Amount	Amount	Amount
Grades																	
GS/GM-14	...	...	...	...	...	...	...	...	...	...	...	...	(2)	(118)	...	...	...
GS/GM-13	...	...	...	...	...	...	...	...	...	...	...	...	(6)	(300)	...	...	...
GS-12	...	...	...	...	...	...	...	...	3	...	...	...	1	(84)	...	...	...
GS-11	...	...	...	...	...	...	...	...	1	...	...	...	(3)	(140)	...	...	...
GS-7	...	...	...	...	...	...	...	...	1	...	...	...	1	...	...	...	...
GS-6	...	...	...	...	...	...	...	...	...	...	...	...	(2)	(42)	...	...	...
GS-4	...	...	...	...	...	...	...	...	2	...	...	...	2	...			
Total positions and annual rate	...	...	...	...	...	...	...	...	7	...	...	...	(9)	(684)	...	...	...
Lapse	...	...	...	...	...	...	...	...	(3)	...	...	...	(3)	...	...	...	...
Total workyears and personnel compensation	...	...	...	(4)	...	...	...	(5)	4	...	...	(11)	(11)	(684)	...	(302)	...
Personnel benefits	...	...	...	...	...	...	...	...	...	...	...	...	...	(206)	...	...	...
Travel and transportation	...	...	...	...	...	...	...	...	...	...	...	...	...	(94)	...	...	...
Transportation of things	...	...	...	...	...	...	...	...	...	...	...	...	...	(6)	...	...	...
GSA Rent	...	...	...	...	...	...	...	...	...	...	...	...	...	(112)	...	...	...
Other rent	...	...	...	...	...	...	...	...	...	...	...	...	...	(19)	...	...	...
Printing	...	...	...	...	...	...	...	...	...	...	...	...	...	(19)	...	...	...
Other services	...	...	(12)	...	...	...	(4)	...	...	...	(4)	...	...	(197)	(944)	...	3,215
Supplies and materials	...	...	...	...	...	...	...	...	...	...	...	...	...	(16)	...	...	...
Equipment	...	...	...	(18)	...	...	...	(22)	...	...	...	(48)	...	(192)	...	(438)	...
Total program workyears and obligations 1995	...	...	(12)	(22)	...	...	(4)	(27)	4	...	(4)	(59)	(11)	(1,545)	(944)	(740)	3,215

Civil Division

Salaries and expenses

Priority Rankings

Base Program	
Program	Ranking
Federal Appellate Activity	1
Torts Litigation	2
Commercial Litigation	3
Immigration Litigation	4
Federal Programs	5
Consumer Litigation	6
Management and Administration	7

Program Increase	
Program	Ranking
Commercial Litigation	1
Torts Litigation	2
Management and Administration	3

Civil Division
Salaries and expenses, General Legal Activities
Detail of Permanent Positions by Category
Fiscal Years 1993 - 1995

Category	1993 Authorized	1994 Authorized	1995 Program Decreases	1995 Total
Attorneys (905)	610	603	(10)	593
Paralegal Specialists (950)	60	62	(3)	59
Gen. Admin. Clerical and Office Services (300-399)	314	314	4	318
Total	984	979	(9)	970
Washington	944	939	(9)	930
U.S. Field	39	39	...	39
Foreign Field	1	1	...	1
Total	984	979	(9)	970

Civil Division
Salaries and Expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

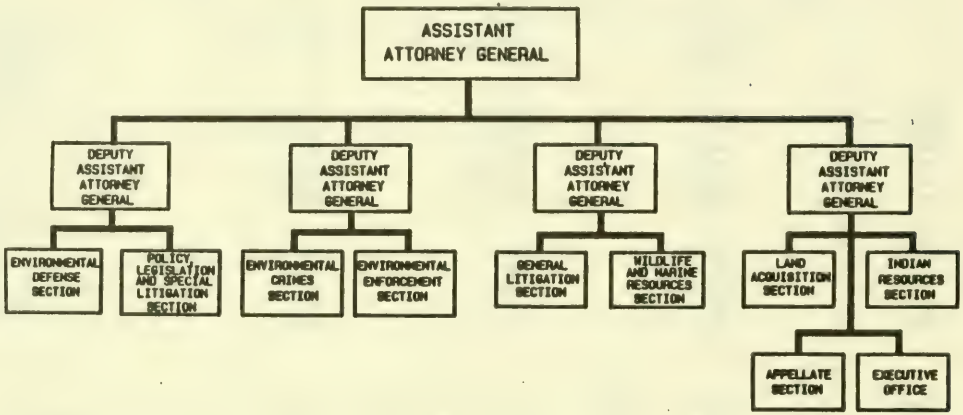
Grades and salary ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Estimate Positions & Workyears	1994 Estimate Amount	1995 Estimate Positions & Workyears	1995 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $	1		1		1		...	
ES-5, $	1		1		1		...	
ES-4, $	23		23		23		...	
ES-3, $	4		4		4		...	
ES-2, $	1		1		1		...	
ES-1, $	5		5		5		...	
GS/GM-15, $	376		375		375		...	
GS/GM-14, $	121		118		116		(2)	
GS/GM-13, $	74		77		71		(6)	
GS-12, $	47		41		42		1	
GS-11, $	52		52		49		(3)	
GS-10, $	6		6		6		...	
GS-9, $	48		50		50		...	
GS-8, $	39		39		39		...	
GS-7, $	119		119		120		1	
GS-6, $	32		35		33		(2)	
GS-5, $	13		10		10		...	
GS-4, $	15		15		17		2	
GS-3, $	2		2		2		...	
GS-2, $	5		5		5		...	
1995 pay raise	...	...	...	...	...	$845	...	$845
Locality pay	...	...	...	$2,223	...	$2,963	...	$740
Total, appropriated positions	984	55,158	979	58,165	970	59,908	(9)	1,743
Pay above stated annual rates	...	212	...	223	...	...	...	(223)
Lapses	(69)	(4,071)	(37)	(2,203)	(39)	(2,434)	(2)	(231)
Savings due to lower scales for part of year	...	(497)	...	(565)	...	(211)	...	354
Net full-time permanent	915	50,802	942	55,620	931	57,263	(11)	1,643

	1993 Actual		1994 Estimate		1995 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Other than permanent:								
Part-time permanent	14	765	15	820	15	827	...	7
Temporary employment	22	641	49	672	49	677	...	5
Other personnel compensation:								
Overtime	2	71	8	73	8	73	...	...
Other Compensation	...	620	...	660	...	560	...	(100)
Special personal services payments.....	...	2,829	...	2,326	...	2,124	...	(202)
Total, workyears and personnel compensation	953	55,728	1,014	60,171	1,003	61,524	(11)	1,353
Average ES Salary		($104,185)		($104,185)		($106,477)		
Average GS/GM Salary		($ 56,342)		($ 58,032)		(61,050)		

Civil Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

	1993 Actual		1994 Estimate		1995 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Object Class								
11.1 Full-time permanent	915	$50,802	942	$55,620	931	$57,263	(11)	$1,643
11.3 Other than full-time permanent	36	1,406	64	1,492	64	1,504	...	12
11.5 Other personnel compensation	2	691	8	733	8	633	...	(100)
11.8 Special personal services payments	...	2,829	...	2,326	...	2,124	...	(202)
Total	953	55,728	1,014	60,171	1,003	61,524	(11)	1,353
Reimbursable workyears:								
Other than permanent	(18)		(18)		(24)		(6)	
Other objects:								
12 Personnel benefits		10,986		12,554		12,989		435
13 Benefits to former personnel		40		177		201		24
21 Travel and transportation of persons		3,338		3,633		3,684		51
22 Transportation of things		333		349		357		8
23.1 GSA rent		12,388		13,391		14,735		1,344
23.2 Rental payments to other		...		...		...		...
23.3 Communications, utilities, and miscellaneous charges		2,560		2,654		2,957		303
24 Printing and reproduction		1,111		1,000		1,021		21
25 Other services		19,075		23,062		25,856		2,794
26 Supplies and materials		987		866		885		19
31 Equipment		2,985		470		32		(438)
Total obligations	953	109,531	1,014	118,327	1,003	124,241	(11)	5,914
Relation of obligations to outlays:								
Obligated balance, start-of-year		17,514		17,682		18,117		
Obligated balance, end-of-year		(17,682)		(18,117)		(18,964)		
Adjustments in expired accounts		...		...		...		
Outlays		109,363		117,892		123,394		

ENVIRONMENT AND NATURAL RESOURCES DIVISION *



Approved: _____ Date: 7-17-90

DICK THORNBURGH
Attorney General

* Section Assignments Subject to Change

Environment and Natural Resources Division

Salaries and Expenses, General Legal Activities

Crosswalk of 1994 Changes
(Dollars in thousands)

	1994 Request			Reprogrammings			Adjustment to Workyear Ceiling			1994 Appropriation Anticipated		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Federal Appellate Activity	25	26	$2,712	-25	-26	-$2,712	...	...	...	...	...	...
Appellate & Policy	...	...	...	36	37	3,914	...	2	...	36	39	$3,914
Land Acquisition	32	28	3,696	-32	-28	-3,696	...	...	...	...	...	...
Environmental Protection	214	215	29,865	-15	-15	-1,795	...	8	...	199	208	28,070
General Litigation	110	113	12,850	-110	-113	-12,850	...	...	...	...	...	...
Natural Resources	...	...	...	146	145	17,139	...	8	...	146	153	17,139
Management and Administration	38	33	4,241	...	...	...	...	13	...	38	46	4,241
Total	419	415	53,364	...	...	...	...	31	...	419	446	53,364
Reimbursable Workyears		224			...			...			224	
Total Compensable Workyears		639			...			31			670	

Adjustment to Workyear Ceiling: This adjustment reflects the inclusion of certain classes of employees (e.g., Stay-in-School) in the Division's workyear ceiling.

Reprogrammings: This "reprogramming" shows the renaming of the decision units in the Environment Division, and the transfer of sections between decision units. Three old decision units, Federal Appellate, Land Acquisition and General Litigation, are eliminated and replaced by two new units, Appellate and Policy and Natural Resources. The Appellate and Policy unit includes the Appellate and the Policy, Legislation and Special Litigation sections. The Environmental Protection contains the Environmental Crimes, Environmental Defense, and Environmental Enforcement sections. The Natural Resources unit includes the General Litigation, Indian Resources, Land Acquisition and Wildlife and Marine Resources Sections. The Management and Administration unit is unchanged. The proposed changes reflect a more rational grouping of program activities within the affected decision units. A formal notification package, including detailed justification, will be transmitted under separate cover. For comparability, 1993 resource levels are presented in the proposed new decision unit structure.

Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

	Perm Pos	WY	$(000)
1994 Appropriation Anticipated	419	446	53,364
Transfer from General Administration for Mail Management	...	...	9
Mandatory increases:			
1995 Pay increase	...	...	351
Within-grade increases	...	...	496
1994 Pay annualization	...	...	356
Locality Pay (3 months)	...	...	330
Unemployment Compensation - Redistribution	...	...	28
GSA Rent	...	...	1,032
PACER	...	...	10
FTS 2000	...	...	117
Employee data and payroll services	...	...	6
Lease expirations	...	...	157
General pricing level adjustment	...	...	766
Total, mandatory increases	...	...	3,649
Decreases (Automatic, non-policy):			
One less compensable day	...	...	-100
Accident Compensation	...	...	-33
Total, decreases	...	...	-133
Net Adjustments to Base	...	...	3,525
1995 Base	419	446	56,889

	1993 as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Appellate & Policy	36	37	$3,718	36	37	$3,577	36	39	$3,914	36	39	$4,172	38	40	$4,256	2	1	$84
Environmental Protection	205	210	27,418	205	210	26,374	199	208	28,070	199	208	29,924	255	233	32,929	56	25	3,005
Natural Resources	146	145	16,280	146	145	15,660	146	153	17,139	146	153	18,271	162	161	19,744	16	8	1,473
Management & Administration	38	33	4,029	38	33	3,877	38	46	4,241	38	46	4,522	42	48	4,651	4	2	129
Total	425	425	51,445	425	425	49,488	419	446	53,364	419	446	56,889	497	482	61,580	78	36	4,691
Reimbursable Workyears:		231			228			224			224			242			18	
Total Workyears		656			653			670			670			724			54	

Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
Summary of Resources by Program
(Dollars in thousands)

	1993 as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Request			Increases/Decreases		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Federal Appellate	25	26	$2,576	25	26	$2,478	25	26	$2,712	...	...	...	...	...	...	...	...	...
Appellate & Policy																		
Appellate	...	...	...	...	...	...	...	...	...	25	27	$2,891	25	27	$2,891	...	...	...
Policy, Leg. & Sp. Lit	...	...	...	...	...	...	...	...	...	11	12	1,281	13	13	1,365	2	1	$84
Subtotal	...	...	...	...	...	...	...	...	...	36	39	4,172	38	40	4,256	2	1	84
Land Acquisition	32	28	3,511	32	28	3,377	32	28	3,696	...	...	...	...	...	...	...	...	...
Environmental Protection																		
Environmental Crimes	30	30	2,512	30	30	2,416	30	30	2,645	30	31	2,820	42	36	3,498	12	5	678
Environmental Defense	81	81	7,595	81	81	7,306	81	81	7,996	81	83	8,524	101	93	9,897	20	10	1,373
Environmental Enforcement ..	94	99	17,311	94	99	16,652	88	89	17,429	88	94	18,580	112	104	19,534	24	10	954
Wildlife & Marine Resources.	15	15	1,705	15	15	1,705	15	15	1,795	...	...	...	...	...	...	...	...	...
Subtotal	220	225	29,123	220	225	28,014	214	215	29,865	199	208	29,924	255	233	32,929	56	25	3,005
General Litigation																		
General Litigation	83	86	9,405	83	86	9,047	83	86	9,901	...	...	...	...	...	...	...	...	...
Indian Resources	16	16	1,659	16	16	1,596	16	16	1,747	...	...	...	...	...	...	...	...	...
Policy, Leg. & Sp. Lit	11	11	1,142	11	11	1,142	11	11	1,202	...	...	...	...	...	...	...	...	...
Subtotal	110	113	12,206	110	113	11,742	110	113	12,850	...	...	...	...	...	...	...	...	...
Natural Resources																		
General Litigation	...	...	...	...	...	...	...	...	...	83	91	10,555	91	95	11,180	8	4	625
Indian Resources	...	...	...	...	...	...	...	...	...	16	17	1,862	20	19	2,373	4	2	511
Land Acquisition	...	...	...	...	...	...	...	...	...	32	29	3,940	32	29	3,940	...	...	...
Wildlife & Marine Resources.	...	...	...	...	...	...	...	...	...	15	16	1,914	19	18	2,251	4	2	337
Subtotal	...	...	...	...	...	...	...	...	...	146	153	18,271	162	161	19,744	16	8	1,473

Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
Summary of Resources by Program
(Dollars in thousands)

	1993 as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Management & Administration																		
Asst. Atty. General	9	6	$891	9	6	$857	9	6	$938	9	7	$1,000	9	7	$1,000	...	...	...
Executive Office	29	27	3,138	29	27	3,020	29	27	3,303	29	39	3,522	33	41	3,651	4	2	$129
Subtotal	38	33	4,029	38	33	3,877	38	33	4,241	38	46	4,522	42	48	4,651	4	2	129
Total	425	425	51,445	425	425	49,488	419	415	53,364	419	446	56,889	497	482	61,580	78	36	4,691
Reimbursable Workyears:		231			228			224			224			242			18	
Total workyears		656			653			639			670			724			54	
Other Workyears:																		
Holiday		5			5			5			5			5			...	
Overtime:																		
Other		7			7			7			7			7			...	
Total compensable workyears		668			661			651			682			736			54	

Justification of Program and Performance
Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
(Dollars in thousands)

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Appellate & Policy	36	39	$3,914	36	39	$4,172	38	40	$4,256	2	1	$84

LONG-RANGE GOAL: To defend or assert the government's position in Environment and Natural Resources Division cases in the appellate courts and to provide legislative, public and Congressional liaison services for the Division's programs.

MAJOR OBJECTIVES:
To defend successful trial court decisions and to file appeals from adverse decisions in all cases where appellate review is warranted.

To fully satisfy client agencies by formulating legal positions in appellate cases that best represent their interests.

To monitor private party cases and participate as amicus curiae in selected cases.

To effect favorable language in Administration-sponsored or supported bills for the reauthorization of the Clean Water Act, the Endangered Species Act, the Resource Conservation and Recovery Act, and CERCLA.

To assist in new Administration initiatives with respect to environmental equity, timber resource management, and other emerging issues of environmental concern.

BASE PROGRAM DESCRIPTION: This decision unit includes two discrete sections. The Appellate Section of the Environment and Natural Resources Division handles 95 percent of its cases as staff-lead, and works closely with the U.S. Attorneys and Division attorneys handling the remainder. Most work involves preparing briefs and oral arguments. This requires independent research as well as coordinating the positions of client agency staff and trial section attorneys, analyzing the bases for appeal, and seeking permission from the Solicitor General's Office to appeal adverse decisions. The unit also prepares draft briefs for the Solicitor General.

The Policy, Legislation and Special Litigation Section (PLSL) is responsible for reviewing and commenting on legislative proposals affecting the Division's programs. Many environmental statutes are the subject of new legislative proposals, which benefit from analysis by the Division. After a bill is passed by Congress, the Section's responsibility involves analysis of new issues related to the implementation and interpretation of the law, particularly in the first three years when few court decisions exist to give guidance on ambiguities that result from changes in laws. Complete screening of new legislation insures that the Division has detailed information on hand concerning the legislative history for use in litigation which arises after a bill becomes a law. PLSL is responsible for the development of Division policies on environmental concerns and the conservation and development of natural resources.

Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
Justification of Multi-Activity Program Changes
(Dollars in thousands)

	1995 Workyear Reductions			1995 Administrative Savings			1995 Locality Pay			Total		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Appellate & Policy	...	...	...	...	...	...	...	...	-$24	...	...	-$24
Environmental Protection	-7	-7	-$690	...	...	-$427	...	...	-173	-7	-7	-1,290
Natural Resources	...	...	...	...	...	...	...	...	-106	...	...	-106
Management and Administration	...	...	...	...	...	...	...	...	-27	...	...	-27
Total	-7	-7	-690	...	...	-427	...	...	-330	-7	-7	-1,447
Reimbursable		-3			...			...			-3	
Total Workyear Reductions		-10			...			...			-10	

As the Environment and Natural Resources Division implements the personnel increases reflected in this budget for 1994 and 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

The Environment Division will have to absorb $330,000 associated with the 1994 locality pay increase. Unfunded cost increases such as this force us to decide between delaying or foregoing program initiatives, or further eroding our base. At this point, we expect to handle this absorption by delaying the start dates of new positions, or, put differently, we will increase the 1995 lapse rate.

ACCOMPLISHMENTS AND WORKLOAD:

Appellate & Policy - Two sections comprise this activity:

1. Appellate Section

Item	1992	1993	Estimates 1994	Estimates 1995
Pending, beginning of year	837	793	817	867
Cases/Matters received	292	338	300	325
Workload Production Estimates:				
a. Cases/Matters closed	336	314	250	300
b. Briefs Filed	234	223	250	270
c. Oral Arguments	95	105	120	130
d. Memos for the Solicitor General	91	69	100	110
e. Substantive Motions	113	101	130	140
Pending, end of year	793	817	867	892

In 1993, the Appellate Section prevailed in 179 of its 205 appearances in the Courts of Appeals — an 87% win rate.

2. Policy, Legislation and Special Litigation Section (PLSL)

Item	1992	1993	Estimates 1994	Estimates 1995
Pending, Beginning of Year	1,077	1,112	984	1,234
Cases and Matters received	2,885	2,188	2,600	2,600
Cases and Matters closed	2,850	2,316	2,350	2,550
Pending, End of Year	1,112	984	1,234	1,284

PLSL continues to experience a heavy legislative docket. In the 100th Congress, the Section handled 1,154 legislative matters; in the 101st Congress, that number rose to 1,896. But the 102nd Congress shattered the record with over 2,500 legislative requests.

Significant accomplishments this past year occurred on several different fronts. Legislatively PLSL was active in passage of the Federal Facilities Compliance Act, which waives sovereign immunity with respect to penalties against federal facilities, but includes certain safeguards PLSL fought for; the Rocky Mountain Arsenal National Wildlife Refuge Act, which establishes a Wildlife Refuge at the Rocky Mountain Arsenal — a major hazardous waste site near Denver which the Army is currently cleaning up. Likewise, PLSL was instrumental in suggesting changes to problematic provisions in the Community Environmental Response Facilitation Act, which presents an unusual instance of consensus among DOD, EPA, Congress, State and local governments, and environmentalists. The latter makes minor amendments to CERCLA to facilitate the process of returning closed military bases to productive use while cleanup activities are ongoing.

PLSL also helped with Clean Air Act Implementation by providing EPA with the analytical framework and theoretical justification for key aspects of its effort to implement the Clean Air Act Amendments of 1990. For example, PLSL devised a legal defense that allowed EPA to exempt cars from minimum occupancy requirements for car-pool lanes if the cars are powered by natural gas, batteries, or other clean fuels. The exemption became

effective in March (1993) and will enhance air quality in the 22 smoggiest areas of the nation. On another front, PLSL implemented a new confidential financial disclosure reporting system for all attorneys and certain other employees in the Division; arranged the detail of a PLSL attorney to U.S. Trade Representative to work on trade and environment policy, and in turn, that PLSL attorney assisted in the formulation of United States trade and environment policy positions on a wide range of natural resource and pollution-related issues; represented the United States in international negotiations on trade and environment matters, including the North American Free Trade Agreement (NAFTA), the General Agreement on Tariffs and Trade (GATT), and the Organization for Economic Cooperation and Development (OECD); and represented the U.S. Trade Representative on the U.S. delegation to the 1992 United Nations Conference on Environment and Development (UNCED), in Rio de Janeiro.

Finally, PLSL helped to launch an initiative to form Natural Resources Protection Coordinating Committees under auspices of Law Enforcement Coordinating Committees operating in U.S. Attorneys' Offices. The Attorney General endorsed our initiative and the Chairman of the Attorney General's Advisory Committee transmitted it — along with guidelines PLSL drafted for establishing such Committees — to all U.S. Attorneys. Each Committee will consist of federal, state and local regulatory and enforcement officials. Meeting periodically, they will coordinate and assist one another's pollution and wildlife investigations and civil and criminal enforcement actions. Our many years enforcing federal law have taught us that the kind of early case assessment to be undertaken by the Committee is crucial to ensuring that only violations which truly warrant expenditure of Department and judicial resources reach the Department. For border districts, a key Committee objective, driven partly by intense, NAFTA-prompted scrutiny of border environmental conditions (particularly our Mexican border) is participation by Mexican and Canadian counterparts. Experience has shown that many pollution and wildlife violations along our borders have cross-border implications. To prosecute illegal hazardous waste shipments from Mexico into the U.S., for example, cooperation of Mexican authorities is sometimes indispensable. Indeed, the Western District of New York in Buffalo has long drawn on Canadian federal and provincial assistance in many successful environmental prosecutions.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Appellate & Policy	36	39	$4,172	38	40	$4,256	2	1	$84

International Workload: Additional resources (one attorney and one paralegal) are sought to handle the burgeoning international workload of this section, specifically as it involves:

1) Treaties and Trade Agreements — PLSL is increasingly being invited to serve on U.S. delegations and has established itself as a recognized "player" in the Administration policy-making process, both as a means of safeguarding U.S. interests in treaty negotiations where bilateral enforcement issues are concerned as well as helping to formulate U.S. policy in new areas. (Examples range from the GATT [General Agreement on Tariffs and Trade] to issues involving climate change and bio-diversity negotiations);

2) Legislative and Policy Assistance — This past year, PLSL reviewed over 100 international environmental legislative and policy matters; an even greater international legislative docket is expected in 1995. The sources are varied but include Administration initiatives to provide emerging Eastern and Central Europe democracies with environmental legislative and policy assistance; and,

3) Litigation — PLSL assists other sections in litigation with international implications (e.g., United States v. San Diego; threat to international U.S.-Mexico wastewater treatment plant construction) and sometimes PLSL takes the lead in litigation (e.g., Public Citizen v. USTR — challenge to Administration's NAFTA negotiations; the Tenyo Maru oil spill case).

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Environmental Protection	199	208	$28,070	199	208	$29,924	255	233	$32,929	56	25	$3,005

LONG-RANGE GOAL: To defend and enforce federal programs to protect the environment without undue economic costs, and to promote voluntary compliance with the Nation's environmental protection laws.

MAJOR OBJECTIVES:

To seek and obtain a 90% or better conviction rate in all criminal cases, and criminal fines imposed well in excess of the authorized budget for criminal enforcement activities.

To reduce the time from initiation of a criminal investigation to final charging decision. This will require a refined case tracking system to allow precise measurements, and established numerical goals for significantly reducing the average time from its current level.

To respond to U.S. Attorney Office submissions within time limits established by the newly-adopted U.S. Attorneys' Manual bluesheet.

To function as a resource center and clearinghouse for legal documents — e.g., indictments, memoranda and briefs.

To increase by 25% the number of defensive district court cases in which we file a motion to dismiss within 60 days of a case being filed.

To lower by 25% the average time between referral of a wetlands enforcement case from EPA and filing of an enforcement action.

To defend federal agencies (e.g., Defense, Energy, Interior) whose facilities are the subject of litigation, while encouraging full compliance with environmental standards, and to train federal facility operators (via seminars, conferences or courses) in compliance-related procedures (both civil and criminal).

To vigorously enforce legal standards and limits on pollution and waste discharges by bringing suit in Clean Air Act and Clean Water Act cases and recover fines in amounts equal to or exceeding the cost of the entire program, i.e., $33 million in 1995. [$35 million in fines in 1991; $50 million in 1992 and $47 million in 1993.]

To recover funds spent by or on behalf of federal agencies for damage to natural resources within their control. [$23 million in 1990; $45 million in 1991; with Exxon, a whopping $923 million in 1992 followed by a very respectable $72 million in 1993.]

BASE PROGRAM DESCRIPTION: The Environmental Protection unit is comprised of the Environmental Crimes, Environmental Defense, and Environmental Enforcement Sections.

The Environmental Crimes Section prosecutes criminal violations of environmental protection statutes such as the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, and Toxic Substances Control Act, where the standards for criminal as opposed to civil sanctions involve

willful, knowing violations. This criminal initiative was undertaken first in 1982 when a Crimes Unit was established as part of the Environmental Enforcement Section. In 1987, as a result of the success of the program, a separate Environmental Crimes Section was created within the Division.

The Environmental Defense Section defends rule-making, regulatory and permit actions and decisions made by the Environmental Protection Agency, the Army Corps of Engineers, and the Coast Guard, and represents federal agencies sued for violations of environmental laws. The Section's cases include petitions for review of agency regulations in the appellate courts, district court cases involving permit decisions, and federal facility lawsuits. In addition to its defensive caseload, the Section has responsibility for affirmative litigation to enforce the wetlands laws.

The Environmental Enforcement Section conducts affirmative civil litigation to control and abate pollution. This program is primarily responsible for judicial enforcement of Environmental Protection Agency programs which regulate discharges into the Nation's air and water, and govern pesticide operations, solid waste storage, and nuclear waste, and natural resource damages on behalf of many other federal agencies. Approximately 90 percent of civil enforcement actions are personally handled by Environmental Enforcement Section (EES) staff attorneys. The Section also has primary responsibility for Superfund litigation to compel site cleaning and to recover federal funds.

ACCOMPLISHMENTS AND WORKLOAD:

1. Environmental Crimes Section

Item	1992	1993	Estimates 1994	1995
Pending, Beginning of Year	314	319	348	358
Cases and Matters received	118	132	105	125
Cases and Matters closed	113	103	95	120
Pending, End of Year	319	348	358	363

Environmental Crimes - Since its inception as a separate unit within the Environmental Enforcement Section in October 1982, the ECS has had impressive results. Over 1,200 corporations and individuals have been charged with environmental and other related criminal offenses and 885 defendants have pled guilty or been convicted, $262 million in criminal penalties have been assessed and over 460 years of jail time imposed. In 1993, the Crimes program recorded indictments against 187 defendants, 168 convictions and the imposition of nearly $19,000,000 in monetary penalties to include federal fines and restitutions to both federal and state governmental programs.

Two of their more notable cases this past year include:

Operation Overboard is an investigation into routine and deliberate discharges of oil from commercial vessels off the southern coast of Florida. According to the United States Coast Guard, such discharges account for fully a third of the oil pollution in the world's oceans. In Florida, the Coast Guard has documented that operational discharges are a daily occurrence. To address this serious source of marine pollution, a team of attorneys from both the Section and the USAO (S.D.Fla.) working together with the Coast Guard, EPA, the FBI, and the State Department, developed a comprehensive plan to detect, identify and prosecute those individuals and companies responsible for this serious source of pollution. Dubbed "Operation Overboard," it included the use of Coast Guard aircraft equipped with radar and video equipment, which successfully detected and captured on videotape a number of commercial vessels in the act of such deliberate discharges. As a result of this high-impact operation, those identified as responsible for polluting Florida's fragile marine environment are being vigorously pursued.

On March 11, 1993, following a bitterly contested trial, a jury in Dallas found the two highest ranking corporate officers of the nation's largest manufacturer of ceramic tile guilty of dumping lead-tainted[1] manufacturing waste. The lead defendant, Robert Brittingham, who was the principal stockholder and Chief Executive Officer of the company, Dal-Tile, Inc., is one of the wealthiest men in the United States, worth roughly $750 million. His co-defendant, John LoMonaco, was Dal-Tile's President. They are the highest-ranking corporate officials thus far to be convicted of environmental crimes in the U.S.

2. Environmental Defense Section

Item	1992	1993	Estimates 1994	1995
Pending, Beginning of Year	2,166	1,738	1,922	2,247
Cases and Matters received	597	558	650	675
Cases and Matters closed	1,025	374	325	500
Pending, End of Year	1,738	1,922	2,247	2,422

The Environmental Defense Section enjoyed a number of successes this past year. Among these was an enforcement action under section 404 of the Clean Water Act, which prohibits the dredging or filling of wetlands and other waters of the United States without a permit (United States v. Westinghouse). This case involved the unlawful filling of wetlands in Bonita Springs, Florida, by a subsidiary of Westinghouse Electric. Westinghouse illegally filled 15 acres of isolated wetlands near the Gulf of Mexico in connection with the development of an 1800-acre commercial, recreational, and residential complex known as Pelican Landing. Upon learning of the violations, EDS immediately commenced settlement discussions with Westinghouse, which had a shared interest in avoiding costly and protracted litigation. As a result of these detailed discussions, we were able to file simultaneously a complaint and consent decree in federal district court fully resolving the violations. Pursuant to the decree, Westinghouse will (i) fully restore the illegally filled wetlands; (ii) undertake a wetlands enhancement project on 98 acres of wetlands on the development site, which will include the removal of exotic vegetation, the placement of extensive marsh and hardwood plantings, the creation of lakes and ponds for habitat diversity, and the preservation of the wetlands in perpetuity through the conveyance of a conservation easement; and (iii) pay a $200,000 civil penalty to the United States Treasury. The total value of the settlement is estimated to be $1.3 million, making it the second largest judgment ever obtained by the United States in a civil enforcement action under section 404.

Acting pursuant to a congressional mandate in the Clean Air Act to improve visibility in our national parks, EPA determined, after extensive scientific study, that one particular coal-fired electric generating plant in northern Arizona significantly contributes to visibility impairment at the Grand Canyon. Based upon its findings, EPA issued an innovative final rule in September 1991 that requires the plant to reduce its sulfur dioxide emissions by 90 percent. However a consortium of water and irrigation districts filed a petition for review in the court of appeals subsequently challenging EPA's action. The petitioners, who contend that the rule will substantially increase their costs, have raised a number of technical and scientific challenges to the legality and reasonableness of EPA's action. As in many other petitions for review, defense of EPA's action required a detailed understanding of the complex technical and scientific issues raised. On March 25, 1993, the court of appeals issued a decision completely affirming EPA's action. (Central Arizona Water Conservation District v. EPA)

[1]Exposure to lead can cause health problems, including premature births, low birth weight and loss of intelligence in young children.

3. Environmental Enforcement Section

Item	1992	1993	Estimates 1994	Estimates 1995
Pending, Beginning of Year	1,710	1,842	1,925	2,000
Cases received	445	380	375	425
Cases closed	313	297	300	350
Pending, End of Year	1,842	1,925	2,000	2,075

In 1993, a record $97 million in civil and stipulated penalties was assessed in cases litigated by EES. Of this total, which was the largest figure ever assessed in a given year, $27 million came through Clean Water Act enforcement, $20 million through Clean Air Act enforcement, and $19 million through RCRA enforcement. Under Superfund, $344 million was recovered in cost recovery actions and defendants were compelled to undertake various cleanup activities valued at $637 million.

Also in 1993, the Section obtained another $72 million for reimbursement of the government's cleanup and damage assessment costs and to restore, replace, or acquire the equivalent of the natural resources. In sum, the total recoveries in EES litigation amounted to nearly $1.2 billion.

Two precedents are among many successes this past year. The first, United States v. Texaco Refining and Marketing, and United States v. U.S. Oil Company (W.D. Wash.) involved the first judicial settlements under the Oil Pollution Act of 1990. Both Texaco and U.S. Oil were responsible for separate oil spills from their refineries and will pay a total of $14.7 million in penalties and cleanup costs. In addition, both defendants have agreed to install and maintain state-of-the-art spill prevention equipment at a cost of $800,000 each.

As part of its multi-media, risk-based strategy, EPA began conducting national "targeted" enforcement initiatives in 1991. The subjects of these initiatives include specific geographic zones which present a national risk from the standpoints of human health, the environment, and the maintenance of the integrity of agency regulatory programs. For example, during 1992, the EES filed nine benzene cases, prosecuted 24 previously filed lead cases, and, together with EPA's administrative enforcement program, filed a total of 64 cases against the primary metals, pulp and paper, and industrial organic chemical industries. These three industries were targeted on the basis of toxic releases and historic noncompliance.

And more recently (May 1993) EPA Administrator Browner and Attorney General Reno jointly announced the imposition of the second-largest civil penalty under environmental law, $11.1 million, for violations of the Clean Air Act. (U.S. v. Louisiana-Pacific) The violations occurred at 14 plants in 11 separate states. Additionally, the company was ordered to install $70 million worth of new state-of-the-art anti-pollution equipment over the next two years.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Environmental Protection	199	208	$29,924	255	233	$32,929	56	25	$3,005

All three of the programs comprising this activity are seeking program increases; the requests are presented sequentially below.

1. Environmental Crimes Section (ECS): For 1995, the ECS is requesting a net increase of 12 positions (9 attorneys, 2 paralegals and one support) and $678,000 (including $300,000 for ALS). The request includes an increase of 15 positions offset by administrative cuts of 3 positions. The

Division and EPA share the same view -- that criminal enforcement is essential and that, as with other white collar industries, the threat, the "hammer" of criminal enforcement when coupled with public pressure has historically been the most effective means of securing voluntary compliance -- be it from defense contractors, thrift operators or corporate polluters. Prosecutors have found that civil regulation, fines and consent decrees are too often viewed as mere costs of doing business.

At the increased level of resources, the ECS will finally be able to establish a core of four line attorneys to provide support to each of the ten EPA regions as well as U.S. Attorney offices. And underlying this is the need to complement significant additional investigatory resources in the EPA, FBI, etc. and the need to enforce new felony sanctions under the Clean Air Act Amendments.

Support to Assistant U.S. Attorneys (AUSAs) can range from the more "traditional" services such as an ECS attorney second-chairing a trial or assisting in the painstaking review of thousands of documents pre-indictment to more "cutting edge" services such as counseling AUSAs in structuring global settlements and acquainting them with the particulars of the recent voluntary disclosure and self-auditing guidelines for industry. This would build on the new January (1993) "Bluesheet" which clearly delineates the Section's role vis-a-vis U.S. Attorney offices in the investigation and prosecution of environment crimes.

Also with the additional resources, the Crimes Section can expect to increase the number of indictments by 15-20% and fines by roughly $5 million within two years[2] and realistically hope to achieve a 90% or better conviction rate. At the same time, the Section intends to: 1) honor its commitment to prosecute individuals, and in particular the highest ranking guilty corporate officers, not only corporate entities; 2) improve the average response time for U.S. Attorney requests for approval of indictments in environmental criminal cases to as specified in the newly-adopted bluesheet; and 3) establish time tables to significantly reduce the time between the initiation of a criminal investigation and the final decision to charge.

2. Environmental Defense Section (EDS): An increase of 20 positions (12 attorneys, 5 paralegals and 3 support) and $1,373,000 (including $500,000 for ALS) is sought for the Section to adequately staff federal facility/CERCLA liability and Clean Air Act Amendments cases.

In past years the Section has been largely able to follow a "one-case-one-lawyer" approach to staffing because many of these cases settled with minimal discovery, and without trial. But things are changing, particularly when major CERCLA liability cases are involved. Such cases as the "Love Canal" trial (which lasted eight months with $700 million at stake) have underscored both the need for and utility of employing a trial team approach. Trial teams, consisting of 2-4 lawyers, fully supported by paralegals, support staff, and contract litigation support, are critical to the defense of multi-million dollar cases, especially when World War II activities are involved and there is no existing "client agency" to provide logistical and legal support. Lacking a client, it falls to the section to oversee or perform such burdensome but critical tasks as archival research and tracking down now-elderly witnesses. In the past year we have successfully used litigation support contractors to assist in these fact gathering efforts, freeing attorneys to focus on immediate case needs and strategy.

The Cadillac Fairview/California, Inc. v. General Services Admin. case is a perfect example of a major CERCLA liability case. Cadillac currently owns a 3.7-acre site contaminated with hazardous substances. The Cadillac Site is a small portion of the 300-acre "Del Amo Site" south of Los Angeles and was owned by various federal agencies from 1942 to 1955 (GSA is the successor agency) and was used for the production of synthetic

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[2] Clearly 1992 was anomalous, as it included the record-shattering billion dollar Exxon Valdez settlement. These calculations are premised on the preceding year's figures when a total of 31 attorneys were responsible for the then-high $18.5 million.

rubber during World War II and the Korean War. Among the other defendants in the case are Dow Chemical Company, which operated a plant at the Del Amo Site until 1955, and Shell Oil Company, which purchased the entire Del Amo Site from the United States in 1955 and owned it until 1972. The site contained several unlined waste disposal pits and evaporation lagoons in which wastes from the production process were disposed during virtually the entire period of United States ownership. The United States, Dow, and Shell have all filed cross-claims against each other for contractual indemnity and contribution under CERCLA. Dow and Shell are trying to place as much of the financial burden on the United States as possible, claiming that the now defunct Office of Rubber Reserve and related entities controlled all facets of plant design and operation. The United States' potential liability for soil and groundwater contamination at the Cadillac Site alone could reach $500 million.

The case has generated, and will continue to generate, extensive discovery of witnesses and will consume great amounts of litigation resources in other aspects of trial preparation. Five EDS attorneys have already spent considerable time conducting and defending 30 depositions across the country (the average length of which was two full days). Moreover, nearly 50 expert witnesses have been designated to testify at trial. The parties have produced thousands of documents and hundreds of reels of additional microfilm documents.

Given the government's role in the massive mobilization effort in World War II — and to a lesser extent in World War I, the Korean War and the Vietnam conflict — we expect geometric growth in these types of claims.

Turning to a different arena, the Section also needs additional personnel to contend with the emerging volume of challenges to the Clean Air Act Amendments. Despite the breadth of this landmark legislation and the host of legal issues surrounding its implementation, the Division has failed to receive ANY funding for its defense. Under the Clean Air Act, legal challenges to regulations and documents must be brought in the courts of appeals through the filing of petitions for review. EDS is responsible for representing EPA in all such cases. Such challenges to regulations are by their nature very demanding in terms of time and resources. The administrative records are typically quite large, and the legal issues will be complex and largely ones of first impression. Because of the importance of such cases, opposition counsel ordinarily will consist of teams of attorneys from the largest, most sophisticated Washington law firms. It is not unusual for one of our attorneys to be responding to briefs prepared by dozens of opposition attorneys.

Given the enormous complexity of the regulations and the ferocity of the debates during the rule-making process, it is not surprising that EPA has missed a number of statutory deadlines for promulgating regulations. For example, on behalf of EPA, EDS recently entered into a consent decree obligating EPA to promulgate 23 sets of regulations with deadlines extending into 1995. Similar suits involving 30 other deadlines have already been filed, and many other suits are likely to follow if EPA misses deadlines. Because there is a lag of several months between the promulgation of regulations and the briefing of cases involving challenges to those regulations, the peak of the new Clean Air Act litigation wave will hit much later than expected and will carry well into 1995.

Ultimately, the effectiveness of the new Clean Air Act will hinge on the Section's ability to handle these cases effectively.

3. Environmental Enforcement Section (EES): The Section seeks a net increase of 24 positions (12 attorneys, 7 paralegals and 5 support) and $954,000 in 1995. The request includes increases of 28 positions offset by administrative cuts of four positions. Half of these new positions will be used to adequately staff EPA's multi-media initiative. While EPA's change in enforcement approach may not augur an increase in the number of referrals, the resulting cases are far more resource-intensive than traditional, single-medium, single-facility lawsuits. In addition to the increase in case complexity resulting from multiple cross-media and/or multi-facility violations, significant resources are necessary for planning purposes and pre-filing work including pre-filing negotiations. The vast majority of these civil judicial enforcement cases are highly complex, involving difficult legal and technical/scientific issues, frequently against multiple parties. In fact, while the Section's case docket has

increased an impressive 53% percent over the past five years, the number of defendants has increased 136% percent, thus significantly compounding case complexity.

The balance of the request will permit the Environmental Enforcement Section to adequately staff: 1) 5-10 new natural resource damage cases; 2) 50-75 requests for covenants not to sue where EPA settlers seek release from resource damage claims under CERCLA in 1995; and 3) an influx of federal facility contribution actions so as to recover as much money as possible for cleanup at federal sites. Explanations of each follow:

Natural Resource Damage — A full-blown natural resources claim must be based on a damage assessment, which generally requires both the development of a restoration plan and the application of sophisticated economic techniques to value non-market resources. These cases are among the most resource-intensive cases handled by the Division. Moreover, unlike other CERCLA claims, these cases may be tried by juries. They involve all of the liability issues of other CERCLA or Clean Water Act cases along with an array of novel issues, requiring extensive expert testimony at the intersection of law and economics and fledgling restoration technology. And the stakes are high — while the $1 billion recovered in the Exxon Valdez case is obviously exceptional, the United States has already entered into natural resource damage settlements recovering $52 million in the Montrose case in Los Angeles harbor and is seeking over $200 million more from the non-settling defendants in that case. The principal federal natural resources trustees (i.e., Agriculture, Commerce and Interior) are rapidly increasing their expertise and funding for natural resource damage claims. By 1995, they are expected to refer on the order of 5 to 10 full-blown natural resource damage cases under CERCLA each year, and several additional cases under the Clean Water Act, the Oil Pollution Act, or the Marine Protection, Research and Sanctuaries Act. Each of these cases will require substantial attorney time and DOJ litigation costs, and may take years to resolve. The largest cases, such as Montrose, require DOJ to expend in excess of $1 million annually for several years for expert witnesses and litigation support, on top of the several million dollars expended by the natural resource trustees for damage assessment work. This budget increase will allow the Section to expand its commitment to restore natural resources on behalf of federal trustees.

Covenants Not to Sue — Natural resource damage issues also arise when potentially responsible parties ask to be released from such claims as part of Superfund settlements with EPA. In such cases, EES must coordinate with the federal and state natural resource trustees in evaluating whether a claim exists and, if so, what actions the settlers should be required to take to alleviate natural resource concerns. EES anticipates addressing natural resource damage claims in connection with EPA settlements under CERCLA at an estimated 50-75 sites in 1995.

Federal Facility Contribution Actions — A different type of litigation involving agencies other than EPA occurs when a federal agency (e.g., DOD, DOI, DOE, or DOA's Forest Service) has identified contamination on land or facilities under its jurisdiction to which private parties may have contributed. EES may be called on to pursue a contribution action against the responsible parties to share in the costs of cleanup. These cases, past examples of which include United States v. Shell (Rocky Mountain Arsenal), United States v. Allied Chemical, and United States v. Ciba-Geigy, are tremendously resource-intensive. They often involve many parties (20 or more at typical CERCLA sites), voluminous document production, and from dozens to hundreds of depositions. Current estimates of the cost of cleaning up the federal government's hazardous waste legacy are staggering; estimates for the two most serious offenders — DOD and DOE — are close to $200 billion.[3] In view of this, it is clearly cost-effective to pursue such cost-recovery actions vigorously.

The number of such cases referred to DOJ will plainly rise. For example, the Department of Agriculture estimates that Forest Service lands contain

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[3] "Federal Facilities: Issues Involved in Cleaning Up Hazardous Waste": (GAO/T-RCED-92-82; July 28, 1992).

25,000 mining sites and over 3,000 landfills, many of which are contaminated with hazardous substances. Similarly, Interior, Defense, and Energy have additional vast inventories of potential cost recovery claims.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Natural Resources	146	153	$17,139	146	153	$18,271	162	161	$19,744	16	8	$1,473

LONG-RANGE GOAL: To defend and promote the public interest in federal land, water, mineral and living resources, and Indian programs, and to obtain real property necessary for public purposes through condemnation proceedings.

MAJOR OBJECTIVES:
To obtain favorable rulings in 75 to 80% of challenges to federal programs and policies affecting the management and protection of public lands and natural resources.

To successfully assert and maintain the federal government's supremacy (over that of states, localities, developers and private owners) in all water rights proceedings involving federal lands.

To limit the pay-out rate in defensive suits to $1 dollar for every $3 claimed.

In conjunction with our clients, to develop a rapid and coordinated response capability that will prevent the loss of endangered species or habitat in emergency situations.

To represent effectively the interests of Indians where the United States is trustee, especially in water rights matters by assigning attorneys to a growing number of BIA negotiating teams.

To secure the lowest possible compensation awards consonant with fairness to both landowners and the government.

BASE PROGRAM DESCRIPTION: This program includes four sections: the General Litigation, Indian Resources, Land Acquisition and Wildlife and Marine Resources Sections. The General Litigation Section is the largest of the four sections in this Decision Unit; its cases span over 70 statutory areas administered by several dozen client agencies. Traditional General Litigation cases involve inverse condemnation, in which government actions are alleged to have taken private property; Indian claims for monetary relief from government inaction or mismanagement, defense of federal programs challenged for faulty environmental impact analyses; and, mineral leasing and mining cases on land and in the Outer Continental Shelf.

The spectrum of program initiatives exposed to statutory and constitutional challenge is as broad as the federal portfolio on environmental and public land issues — and growing. It includes such programs and projects as: biotechnology research, missile and submarine defense, highways, dams, nuclear waste transportation and treatment; challenges to agency actions under the National Environmental Policy Act; decisions regarding Indians and Indian tribes; agency action under the Alaska Native Claims Settlement Act; water rights litigation affecting federal interests including defense of the United States' interest in general stream adjudications; and the federal surface mining program. It also reaches to

litigation affecting mineral resources and, as importantly in these days of revenue limitations, to federal royalties. Finally, it extends to include those interests related to adjacent seas and seabed and the determination of the location of the coastline and other maritime boundaries of the United States.

The United States has established trust relationships with various Indians and Indian tribes through a myriad of treaties, statutes and Executive orders. Under these authorities, the government is obliged to perform a number of functions on behalf of these tribes, including litigation to defend their rights. The Indian Resources Section handles these cases, the most important involving water rights. Many Indian reservations lie in the arid portions of the country where competition for water is fierce, and tribal rights to water must be established before reservation lands can be developed. Over 50 million acres of reservation lands, and the rights to major water systems in dry western states are at stake. Other cases in which the government represents the interests of Indians involve the establishment and protection of hunting and fishing rights, and suits to answer questions about tribal rights to self-determination.

The Land Acquisition Section is responsible for acquiring properties needed for Congressionally authorized purposes, but which acquiring agencies are unable to directly purchase. They are obtained through condemnation proceedings in which just compensation is determined and awarded to property owners. Acquisition by condemnation is a means of last resort; agencies are required by law, to the greatest extent practicable, to make every reasonable effort to acquire property by negotiation and direct purchase before requesting condemnation. A top priority is to move these high-exposure cases expeditiously.

The Wildlife and Marine Resources Section has responsibility for both civil and criminal cases arising under the federal fish and wildlife conservation statutes. Litigation under these statutes can play out in any of three different contexts: civil defensive litigation, in which the Section defends federal agencies whose programs are challenged as inconsistent with the requirements of federal conservation statutes; civil enforcement actions, principally in which we seek to enjoin persons (which can include private, state, or local entities) from violating federal conservation statutes (these typically are to stop a developer from destroying habitat that is essential to the conservation of protected wildlife); and criminal prosecutions. The principal client agencies of the Wildlife Section are the Interior Department's Fish and Wildlife Service (FWS) and the Commerce Department's National Marine Fisheries Service (NMFS), a branch of the National Oceanic and Atmospheric Administration (NOAA).

ACCOMPLISHMENTS AND WORKLOAD:

1. General Litigation Section

Item	1992	1993	Estimates 1994	Estimates 1995
Pending, Beginning of Year	3,840	2,586	2,516	2,716
Cases and Matters received	555	553	600	650
Cases and Matters closed	1,809	623	400	550
Pending, End of Year	2,586	2,516	2,716	2,816

The Glenn-Colusa Irrigation District v. United States, (E.D. Cal.) case provides an example of the breadth of water-related litigation. It is significant because it reaffirms the government's commitment to protecting endangered or threatened species which are likely to be affected in hundreds of water supply contracts in the near future. The United States had earlier sued the District on behalf of the National Marine Fisheries Service (NMFS), alleging violations of the Endangered Species Act (ESA) because the GCID's Sacramento River pumps were destroying winter run

chinook. In turn, the district court enjoined GCID from utilizing the pumps to their maximum capacity thereby leaving GCID with the need to find water elsewhere. GCID then asked the Bureau of Reclamation to provide water from Black Butte Reservoir free of charge, asserting that GCID had an entitlement under a water decree as well as under the terms of its water service contract which permitted GCID to obtain an "emergency" supply of water. GCID sued the Bureau when it declined to provide the water as requested. The judge granted our motion for summary judgment, finding that GCID had no right under either the decree or its contract to the Black Butte water.

National Coal Association v. Lujan (D. Colorado) was a significant victory for the federal government in the area of mineral royalty management. Lessees of federal mineral lands pay a royalty which is calculated as a percentage of the "gross value" of minerals produced. Controversies over the definition of "gross proceeds" were at issue. The trial judge concluded that the Secretary's position represented a reasonable interpretation of his statutory authority. Royalties in dispute, in this case alone, exceeded $32 million per year and the decision applied equally to numerous other federal lessees.

2. Indian Resources Section

Item	1992	1993	Estimates 1994	Estimates 1995
Pending, Beginning of Year	478	338	317	337
Cases and Matters received	19	77	50	50
Cases and Matters closed	159	98	30	35
Pending, End of Year	338	317	337	352

Among its many accomplishments this year, perhaps the most notable involved the Snake River Basin Adjudication. Had we lost, it would have cost the government $32 million. In 1989, the Indian Resources Section challenged the filing fees imposed by Idaho on all claimants in the state-wide water rights adjudication. We argued that the McCarran Amendment does not waive our sovereign immunity to monetary assessments in conjunction with the state court proceedings. The fees at issue were not the typical nominal charges ($25 or $50) made when a litigant files its first pleading; at trial, we estimated that, once all our claims were filed, the government's share would run into the millions of dollars. The trial court ruled against us in 1991 and the Idaho Supreme Court affirmed in 1992. In 1993, we completed filing our claims and refined our estimated liability for the fees — at least $32 million. After a persuasive presentation by the Solicitor General's Office, the Supreme Court unanimously reversed. The Court held that the McCarran Amendment did not include any waiver to "monetary exactions" and thus the fees imposed by Idaho were barred.

United States v. Gila Valley Irrigation District, et.al. resulted in a decisive victory for Phase II of this litigation. Acting on behalf of the San Carlos Apache and the Gila River Indian Community, the U.S. sought and obtained an order which ends a longstanding regime of improper administration and ushers in a new era in which the Indian parties should finally realize the full measure of their decreed rights. The Court's elimination of fictional accounting procedures that benefited the irrigation district and its insistence on rigorous enforcement of the Decree's water duties and beneficial use strictures, will enable the Apache Tribe to exercise its right to divert 6,000 acre-feet of Gila River water for the irrigation of 1,000 acres of land, and should result in the Gila River Indian Community enjoying a larger and more reliable water supply. The decision was particularly gratifying in that it adopted our position almost totally and included an important additional provision for civil penalties for any future unauthorized water diversions.

Finally and on a lighter note is a case that first arose in May 1992, when the United States seized what has been called the largest and best-preserved Tyrannosaurus Rex fossil. The fossil, "Dinosaur Sue", was evidence in a criminal investigation involving unauthorized removal of

fossils from federal lands. Black Hills Institute v. U.S. "Sue" had been unearthed and removed from an Indian trust allotment on the Cheyenne River Sioux Indian Reservation, allegedly pursuant to a sale agreement with the Indian allottee. The Institute sued to recover the fossil from the United States. In February 1993, siding with the Government, the district court ruled that the Institute has no ownership rights to "Sue" because the fossil is Indian trust property and its removal from the allotment without the requisite approval of the Secretary of the Interior was illegal. The Institute has appealed to the Ninth Circuit.

3. Land Acquisition Section

Item	1992	1993	Estimates 1994	Estimates 1995
Pending, Beginning of Year	5,873	5,539	5,292	5,167
Tracts received	590	708	700	900
Tracts closed	924	955	825	825
Tracts pending, End of Year	5,539	5,292	5,167	5,242
Preliminary Opinions of Title Prepared	63	56	100	100
Final Opinions of Title Prepared	95	117	150	150
Agency-delegated Title Opinions Reviewed	1,470	1,648	1,500	1,500
District Court Title Hearings (Tracts)	5	...	5	5
Appraisal Reviews (Tracts)	760	612	800	850

In 1993, the Land Acquisition Section handled claims of over $208 million for property which the government valued at $128 million. This difference of $80 million was the critical issue in the Section's lawsuits. Court-awarded judgments for these properties came to $148 million, representing a savings of $60 million (or 75%) of the amount at issue. Thus the Section achieved a savings of three dollars for every contested dollar awarded.

In terms of monetary exposure, United States v. 2.13 Acres of Land, More or Less, Situate in Tuolumne and Calaveras Counties, State of California, and Pacific Gas and Electric Company, (E.D.CA.) is the largest case handled by the Section in recent years. Involved was the condemnation of approximately 42 acres of land owned by the Pacific Gas and Electric Company (PG&E) on the Stanislaus River in Eastern California. The sum of $1.3 million was deposited as estimated just compensation. The property was taken for the New Melones Dam and Reservoir, a project of the Bureau of Reclamation. The effect of the taking was to render PG&E's Melones Power Plant at the site of the taking inoperative. PG&E claimed a huge amount of compensation based on the value of its water right. Under an early ruling of the court, PG&E's experts appraised the water right as having a life of 60 years and a value (for hydroelectric power generation) of $102 million. Because of the age of the case (filed in July 1976), the resulting total exposure, with interest, exceeded $300 million. Thereafter, however, the government's attorneys secured the district court's reversal of its prior ruling, succeeding in limiting compensation for the water right to 10 1/2 months, based on a compensation-limiting clause in PG&E's federal license. While that should have led to a reduction in PG&E's appraisal to about $2 million, PG&E concocted a new (and flawed) theory of compensation and secured a new appraisal for $53 million (presenting a total exposure, with interest, of about $156 million.) The government then moved the court to reject PG&E's new theory and to disallow its $53 million appraisal. The motion was granted. PG&E finally came in with an appraisal of $1.7 million and the case was settled for the amount of our deposit - $1.3 million, reserving to both parties the right to appeal any of the court's prior rulings.

4. Wildlife and Marine Resources Section

Item	1992	1993	Estimates 1994	Estimates 1995
Pending, Beginning of Year	1,225	1,269	1,418	1,543
Cases and Matters received	488	556	425	500
Cases and Matters closed	445	407	300	400
Pending, End of Year	1,268	1,418	1,543	1,643

Fund for Animals v. Lujan (D.D.C.), a lawsuit, filed in April 1992, focused initially on allegations that FWS was delaying listing decisions under the Endangered Species Act as a result of President Bush's regulatory moratorium announced in his 1992 State of the Union Address. That issue was resolved early on, and plaintiffs then amended their complaint to assert a much broader attack, challenging on a generic basis FWS's delays in the listing process. They asserted that FWS was unreasonably delaying listing decision for hundreds of species that it had already determined warranted listing. In December 1992 a comprehensive settlement agreement was announced, outlining a process whereby FWS would reduce the backlog of plants and animals awaiting listing determinations. Under the agreement, and based on the existing priority system, FWS will decide whether to propose for listing approximately 400 candidate plants and animals over the next four years.

American Factory Trawler Association v. Knauss (W.D. Wash.) This case involved a challenge to approval by the Secretary of Commerce of amendments to fishery management plans for the ground fish fisheries of the Gulf of Alaska and the Bering Sea. These fisheries resources are still extremely lucrative, but because of declining resource levels and increased industry effort, there are no longer enough fish to satisfy the demand. This has led to intense competition between industry groups and fishermen based in different parts of the country. In this suit, plaintiffs, an organization of offshore factory trawlers, claimed that the Secretary's allocation of the ground fish quota between these offshore trawlers (based in Seattle and which harvest and process large quantities of fish very rapidly), and the in-shore fishermen, (based in Alaska and which harvest much more slowly, but involve a large number of local residents) violated both the Magnuson Fishery Conservation and Management Act and the National Environmental Policy Act. Plaintiffs claimed, inter alia, that the amendment was based on an economic analysis that was not included in a draft EIS. A large number of other industry groups intervened in the case. As with all suits involving rich Alaskan fishery resources, the press and politicians have been extremely interested in the outcome of the case. The government has thus far prevailed on partial motions for summary judgment.

"Operation Renegade," a major criminal investigation, commenced in 1992 and involved breaking up a ring of international bird smuggling operations. In February 1992, search warrants were executed in four major U.S. cities, and one arrest of a foreign national was effected. This international investigation into the illegal psittacine bird trade (principally parrots and macaws) is now focused on 40-50 putative defendants in several judicial districts. Already, six individuals have been successfully prosecuted in Los Angeles for their roles in bringing in birds or eggs illegally from New Zealand. Several USDA employees are implicated; one pled guilty during trial and the another will be indicted soon. Prosecutions arising out of the Australian prong of the investigation involving about 15 individuals is about to begin with cases in both Los Angeles and Albany, New York. Another prong, involving owners of USDA bird quarantine facilities and their African suppliers who laundered birds from Africa valued at several million of dollars through quarantine stations, will be prosecuted in Los Angeles and Miami, Florida. In Chicago charges soon will be filed against another half-dozen defendants involving a sophisticated smuggling ring bringing birds into the U.S. from South America, including some large and very rare macaws. In addition to the Operation Renegade cases, a number of other bird cases will be charged in Texas involving the illegal Amazon parrot trade funneling into northern Mexico, then into south Texas. We expect it will take at least another 18 months of efforts on the part of FWS, several Wildlife Section attorneys and the many U.S. Attorneys offices involved to wrap up the prosecution of this complex of cases.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increases/Decreases		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Natural Resources	146	153	$18,271	162	161	$19,744	16	8	$1,473

Three of the four sections comprising this activity are seeking program increases; the requests are presented sequentially.

1. General Litigation Section (GLS): For 1995, the GLS is seeking an increase of 8 positions (4 attorneys, 2 paralegals and 2 support), and $625,000 (including $300,000 in ALS) to supplement three growth areas, i.e., takings, water rights and royalty litigation, all of which threaten enormous losses to the Treasury.

The specter of large immediate losses looms greatest in a series of major takings cases. When off-shore oil and natural gas exploration was halted in 1990, many environmentalists were pleased. But oil and natural gas companies that had already paid to drill in those areas are now arguing in the U.S. Court of Federal Claims that the government violated over 100 contracts with the firms (which include such giants as Mobil, Chevron, Conoco) and must refund their lease fees as well as pay interest and reparation for the oil and gas revenues they might have earned without the ban — collectively $1.5 billion.

A related drain on the Section arises from a movement to change how the government regulates economic activity on federal land. This growing movement, based in the West, is well-financed. Adherents seek to expand the scope of the constitutional protection against the taking of private property by government without payment of "just compensation." Included in this category is a $28.4 million lawsuit against the Forest Service which alleges that the restrictions imposed by the Service on the plaintiff's use of grazing land has deprived him of its economic use. Other claims involving mining and timber rights are gearing up as well.

Still another major source of litigation will arise under last year's omnibus water bill[4] which promises to change the way the federal government distributes water in the West for farmers, urban regions and river protection. The measure sets aside a guaranteed supply of water to protect fish and wildlife habitats. Lawsuits will follow from farmers, local communities and other groups that get less water under the new water allocation — particularly in California's Central Valley which is the heart of California's $18 billion farm industry and would be a desert were it not for government-controlled water. The law will eliminate up to 1.2 million acre-feet of the roughly 7 million acre-feet of water that they normally receive. (An acre-foot is about what two families use per year).

Other water-related cases include adjudication proceedings in Montana (which is state-wide and will implicate federal rights in Glacier National Park, wildlife refuges, and numerous forests); in Arizona (which involves the San Pedro watershed and where we will be defending and challenging over 5,000 claims); and in Utah (where claims for water rights in Zion National Park are affected by upstream development interests responding to a growing population and increased recreational industry).

2. Indian Resources: A program increase of 4 positions (2 attorneys, 1 paralegal and 1 support) and $511,000 (including $350,000 in ALS funding) is sought by Indian Resources. Increases are needed to staff as many as 15 general stream adjudications expected to be either in or approaching

[4] Formally, the 1992 Reclamation Projects Authorization and Adjustment Act.

trial by 1995. Currently, the Section has only 12 attorneys and two more would more nearly enable them to juggle the rush of adjudications. At the same time, staff resources will be further sapped by several emerging developments/responsibilities: participation on Department of the Interior water rights "negotiating teams"; referral of more "quiet title" cases; new breed of environmental cases involving groundwater pollution on Indian land; and the advent of Indian gaming cases in the near future while the Secretary of DOI works to put into place an entirely new regulatory program under the new National Indian Gaming Commission.

[NOTE: This Section has not received a program increase in over 5 years. In 1992, its attorneys put in longer hours than those of any other section.]

3. Wildlife and Marine Resources: This section seeks a program increase of 4 positions (3 attorneys and 1 support) and $337,000 (including $150,000 in ALS) in 1995. The need for additional personnel is driven by two major factors: the advent of highly contentious Endangered Species Act (ESA) cases and defense of controversial fishery allocation decisions — particularly in the West.

The Wildlife Section, together with the General Litigation Section, has shared the brunt of defending federal agencies sued over efforts by environmentalists to protect the Northern spotted owl and the murrelet and to preserve Pacific Northwest old-growth forests. Additionally, the Wildlife Section has the lead in defending federal agencies sued in the Columbia and Snake River Salmon Litigation, which challenges federal agency efforts to balance protection for salmon against natural resource use in the Pacific Northwest.

The salmon issue is potentially more explosive than the Spotted Owl controversy. Failure to reach a compromise would drastically alter a far broader range of economic activities, including hydroelectric generation, commercial and recreational fishing (treaty and non-treaty), timber harvesting, grazing and mining.

The ESA is the biggest area of growth in the Section's docket. President Clinton has already sought a 48% increase in funding for the endangered species program at the Fish and Wildlife Service. Over the past five years, the caseload has quadrupled and the Section now has more than 200 ESA cases pending and growing given the ongoing endangered species controversies in the Pacific Northwest, and pending controversies as a result of the recent listings of the delta smelt in the San Francisco Bay area (Bay Institute of San Francisco v. Lujan (E.D. Cal.)) and the gnatcatcher in southern California (Endangered Species Committee of the Building Industry Assoc. of Southern Cal. v. Babbitt (D.D.C.)). Too often, such threats to endangered species and habitats only become apparent at the eleventh hour. To better identify and combat them, this Section will work with its clients to develop a timely response capability. Such a capability will allow us to pursue new affirmative ESA cases more effectively.

	1994 Appropriation Anticipated			1995 Base			1995 Request			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Management & Administration	38	46	$4,241	38	46	$4,522	42	48	$4,651	4	2	$129

LONG-RANGE GOAL: To efficiently and effectively manage the Environment and Natural Resources Division, and to provide the administrative services and support necessary to carry forward the Division's programs.

MAJOR OBJECTIVES:
To provide policy direction and management oversight to the Environment Division's litigation programs.

To identify opportunities and encourage initiatives designed to improve program effectiveness at any level of the Division.

To represent and advance the Administration's environmental interests in international fora.

To update and improve automated management information systems for case tracking, timekeeping and financial litigation management.

To recruit and retain highly competent and motivated staff, including minority applicants.

To provide adequate administrative services, including space and facilities, mail and messengers, copying and supplies.

To provide Automated Litigation Support to the ten highest priority cases in each Section.

To develop and maintain systems for improved fiscal planning and accountability.

To process all vouchers expeditiously so as to avoid the payment of interest.

BASE PROGRAM DESCRIPTION: The Management and Administration decision unit includes the Office of the Assistant Attorney General and the Executive Office for Administration. Thus, this program provides overall direction and management of the Environment and Natural Resources Division, and supervises and administers operations necessary to support the Division's litigation mission. Responsibilities of the latter unit include: budget preparation and execution; financial management; development, operation and maintenance of management and automated support systems; workload and resource requirements analyses; recruitment; processing of personnel actions; management of space and facilities; provision of office equipment and supplies; processing mail; and the provision of messenger, copying and printing services.

ACCOMPLISHMENTS:
In addition to its normal duties, the Executive Office oversaw the fast-paced build-out and move of more than 250 personnel to a new building, complete with a new computer networking architecture. Additionally, it: collected $89.5 million in civil and criminal debts; developed and implemented procedures and policies for forwarding Surface Mining Act debts to the IRS Tax Offset program; reviewed over 2,100 applications for the Honor Grad and Summer Law Clerk programs; interviewed over 300 Honor Grad applicants; completed a requirements analysis for a new attorney

timekeeping system; provided litigation support to over 150 cases and projects, including the Division's top 20 priority cases; oversaw a fully competitive procurement which resulted in the award of three full service litigation support service contracts; established an Expert Witness Unit within the Litigation Support group to improve and better control this $17 million annual program; produced two joint training video tapes in conjunction with EPA; processed a record-breaking 6,626 travel authorizations totalling over $3.5 million; and processed $47 million in reimbursable agreements.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
Management & Administration	38	46	$4,522	42	48	$4,651	4	2	$129

Executive Office: The entire program increase is for the Executive Office. Two of the requested positions are for the Litigation Support Group. One would be a case manager to help offset the workload generated by the additional $1.7 million sought for ALS in 1995 and the other would allow the Litigation Support Group to establish a permanent position to oversee the expenditure of $17 million annually in their newly created Expert Witness Unit. Of the remaining two, one would be a Payroll Specialist to oversee and correct myriad payroll problems as they arise in the Personnel Group thereby freeing up that office's Personnel Specialists to concentrate on their jobs without recurring payroll-related distractions and the other would be a support position for the Administrative Services Group which is chronically short-handed and whose staff frequently must work overtime to provide such services as in-house moving, mail delivery, procurement services, etc. At the beginning of 1992, the Division was located in two buildings; today it is spread out among four disparate buildings. The additional sites bring with them additional logistical hassles — further compounding the need for support services.

Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
Financial Analysis - Program Changes

	Appellate & Policy		Environmental Protection								Natural Resources						Management & Admin.			
	ELSL		Environ. Crimes		Environ. Defense		Environ. Enforcement		Admin and W Cuts		General Litigation		Indian Resources		Wildlife & Marine Resources		Executive Office		Total	
Item	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
GS/GM-14	1	$98	11	$635	12	$693	14	$809	-4	-$231	4	$231	2	$116	3	$173	1	$58	44	$2,542
GS-9	1	28	2	57	5	142	8	227	-1	-28	2	57	1	28			3	85	21	596
GS-7			2	46	3	70	6	139	-2	-46	2	46	1	23	1	23			13	301
Total positions and annual rate	2	86	15	738	20	905	28	1,175	-7	-305	8	334	4	167	4	196	4	143	78	3,439
Lapse (-)	-1	-43	-7	-369	-10	-452	-14	-587			-4	-167	-2	-84	-2	-98	-2	-71	-42	-1,871
Total, workyears and personnel compensation	1	43	8	369	10	453	14	588	-7	-305	4	167	2	83	2	98	2	72	36	1,568
Personnel Benefits		13		114		140		182		-95		52		26		30		22		484
Travel and transportation of persons		10		87		102		124		-32		35		17		22		1		366
Freight		1		7		10		13		-3		4		2		2		2		38
GSA Rent		5		41		53		72		-18		21		10		11		9		204
Rent, Communications & Utilities		2		14		18		24		-6		7		3		4		3		69
Printing		1		7		9		13		-3		4		2		2		2		37
Other services		5		300		542		697		-640		317		360		159		11		1,751
Supplies and materials		1		9		12		17		-4		5		2		2		2		46
Equipment		3		26		34		45		-11		13		6		7		5		128
Total, program workyears and obligations changes required, 1995	2	84	15	974	20	1,373	28	1,775	-7	-1,117	8	625	4	511	4	337	4	129	78	4,691

Environment and Natural Resources Division

Salaries and Expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1993 - 1995

	1993 Authorized	1994 Authorized	1995 Base	1995 Changes	1995 Total
Attorneys (905)	225	221	221	43	264
Paralegal Specialists (950)	40	39	39	18	57
Other legal and kindred (900-998)	9	9	9	...	9
General Administrative and Clerical (300-399)	144	143	143	17	160
Accounting and Budget (500-599)	5	5	5	...	5
Business and Industry Group (1100-1199)	2	2	2	...	2
Total	425	419	419	78	497
Washington	397	389	389	77	466
U.S. Field	28	30	30	1	31
Total	425	419	419	78	497

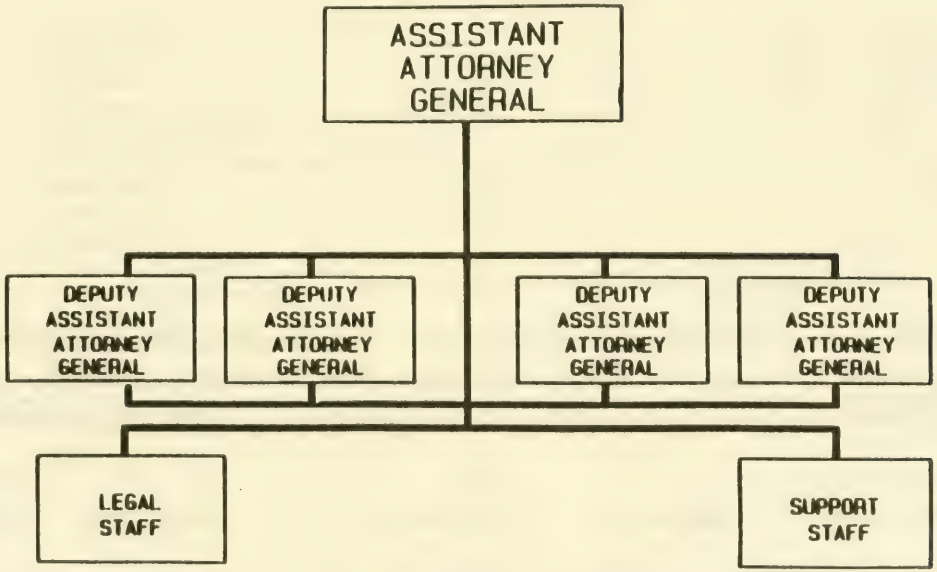
Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and Salary ranges	1993 Actual Pos	1993 Actual Amount	1994 Estimate Pos	1994 Estimate Amount	1995 Estimate Pos	1995 Estimate Amount	Increase/Decrease Pos	Increase/Decrease Amount
Executive Level IV, $115,700	1		1		1		...	
ES-3, $101,800	4		4		4		...	
ES-2, $97,400	7		7		7		...	
ES-1, $92,900	5		5		5		...	
GS-15, $66,609-86,589	124		124		124		...	
GS-14, $56,627-73,619	49		47		89		42	
GS-13, $47,920-62,293	44		44		44		...	
GS-12, $40,258-52,385	33		33		33		...	
GS-11, $33,623-43,712	24		23		23		...	
GS-10, $30,603-39,783	1		1		1		...	
GS-9, $27,789-36,123	34		33		54		21	
GS-8, $25,159-32,710	27		27		27		...	
GS-7, $22,717-29,530	43		41		56		15	
GS-6, $20,443-26,572	5		5		5		...	
GS-5, $18,340-23,839	17		17		17		...	
GS-4, $16,393-21,307	6		6		6		...	
GS-3, $14,603-18,986	1		1		1		...	
Total appropriated positions	425	$20,107	419	$20,658	497	$24,549	78	$3,891
Locality pay	...	...	...	950	...	950	...	...
1995 Pay raise	...	...	...	...	...	337	...	337
Pay above stated annual rates	...	78	...	79	...	625	...	546
Lapses	-7	-331	-11	-542	-53	-2,618	-42	-2,076
Savings due to lower net pay scales for part of year	...	-179	...	-210	...	-120	...	90
Net full time permanent	418	19,675	408	20,935	444	23,723	36	2,788
Other than permanent:								
Temporary employment								
Other part-time and intermittent employment	7	331	38	375	38	375	...	...
Other personnel compensation:								
Overtime	5	165	5	185	5	195	...	10
Special personal services payments		400		400		450		50
Total, workyears and personnel compensation		20,571		21,895		24,743		2,848

Environment and Natural Resources Division
Salaries and Expenses, General Legal Activities
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual WY	1993 Actual Amount	1994 Estimate WY	1994 Estimate Amount	1995 Estimate WY	1995 Estimate Amount	Increase/Decrease WY	Increase/Decrease Amount
11.1 Full-time permanent	418	$19,675	408	$20,935	444	$23,723	36	$2,788
11.3 Other than full-time permanent	7	331	38	375	38	375	...	...
11.5 Other personnel compensation	5	165	5	185	5	195	...	10
11.8 Special personal services payments	...	400	...	400	...	450	...	50
Total	430	20,571	451	21,895	487	24,743	36	2,848
Reimbursable workyears:								
Full-time permanent	228		224		242		18	
Total	658		675		729		54	
Other objects:								
12 Benefits		5,348		5,950		6,336		386
13 Unemployment		25		53		81		28
21 Travel		2,650		3,001		3,352		351
22 Transportation of things		600		638		676		38
23.1 GSA Rent		4,400		5,634		6,868		1,234
23.2 Other Rent		110		110		110		...
23.3 Communications utilities and misc charges		1,150		1,218		1,286		68
24 Printing		500		537		574		37
25 Services		13,154		13,176		16,230		3,054
26 Supplies		600		645		690		45
31 Equipment		380		507		634		127
Total obligations	658	49,488	675	53,364	729	61,580	54	8,216
Average ES Salary		($97,094)		($97,094)		($97,094)		...
Average GS Salary		($44,902)		($49,273)		($51,648)		($49,884)
Average GS Grade		11.6		11.7		11.6		11.3

OFFICE OF LEGAL COUNSEL



Approved: Janet Reno
JANET RENO
Attorney General

Date: 1/23/94

Office of Legal Counsel
Salaries and Expenses
Crosswalk of 1994 Changes

(Dollars in Thousands)

	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Adjustment in Workyear Ceiling			1994 Appropriation Anticipated		
Activity/Program	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Legal Opinions	37	41	$3,727	...	..	$94	...	1	...	37	42	$3,821

Congressional Appropriation Actions. The final congressional mark-up for the General Legal Activities provided a general reduction of $4,816,000 and a program increase of 8 positions, 8 workyears and $400,000 for the Civil Division to partially fund the 1994 Immigration initiative. The final distribution of appropriated funding as approved by the Attorney General, provided additional resources to the Office of Legal Counsel to pay for locality based pay costs.

Adjustment in Workyear Ceiling. This adjustment is made to accommodate the inclusion of certain classes of employees in workyear ceiling limitations.

Office of Legal Counsel
Salaries and Expenses, General Legal Activities
Summary of Requirements
(Dollars in Thousands)

Adjustments to Base:	Perm. Pos.	Work-Years	Amount
1994 as enacted	37	41	$3,821
Adjustment in Workyear Ceiling	...	1	...
1994 appropriation anticipated	37	42	3,821
Transfer from General Administration, S&E	...	...	1
Mandatory Increases:			
1995 Pay Raise	...	...	35
1995 Locality Pay	...	...	31
Within-grade Increases	...	...	25
Annualization of 1994 Increases	...	...	25
FTS 2000	...	...	4
General Pricing Level Adjustments	...	...	19
General Services Administration (GSA) Rent	...	...	75
Total Mandatory Increases	...	...	214
Decreases: (one less compensable day)	...	...	-9
1995 base	37	42	4,027

Estimates by Program	1993 As Enacted Perm. Pos.	WY	Amount	1993 Actual Perm. Pos.	WY	Amount	1994 Appropriation Anticipated Perm. Pos.	WY	Amount	1995 Base Perm. Pos.	WY	Amount	1995 Estimate Perm. Pos.	WY	Amount	Increase/ Decrease Perm. Pos.	WY	Amount
6 Legal Opinions	38	42	$3,476	38	35	$3,466	37	42	$3,821	37	42	$4,027	37	41	$3,991	...	-1	-36

Office of Legal Counsel
Justification of Program Performance
Salaries and Expenses

LONG RANGE GOAL:

To assist the Attorney General in the role as legal adviser to the Executive Branch, and to provide timely, thorough and reliable legal advice in response to requests from the President, the White House staff through the Counsel to the President, the Attorney General, Justice Department components and Executive Branch agencies.

MAJOR OBJECTIVES:

To provide general legal advice to the President and Executive Branch agencies.

To resolve intra-Executive Branch disputes over legal questions.

To advise other components of the Department of Justice where litigation or proposed legislation raises constitutional issues or issues of general concern to the Executive Branch.

To testify and prepare testimony in connection with pending legislation of interest to the Department and the Administration, and to assist in the drafting of legislation.

To approve the form and legality of Executive Orders and Orders of the Attorney General.

BASE PROGRAM DESCRIPTION:

The statutory authority for the Office of Legal Counsel (OLC) is provided in 28 U.S.C. 511-512. The principal duty of OLC is to assist the Attorney General in the role as legal adviser to the President and Executive Branch agencies and as arbiter of legal disputes within the Executive Branch. OLC responds to every request for dispute resolution it receives. OLC also provides general legal assistance to other components of the Department, especially where litigation or proposed legislation raises constitutional issues or general issues of executive authority. It reviews for form and legality all Executive Orders and Proclamations proposed by the President, as well as all proposed Orders of the Attorney General and all regulations requiring Attorney General approval. In addition, OLC is also involved in coordinating the work of the Department regarding

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treaties, executive agreements and international organizations, and performs a variety of special assignments referred to the Office by the Attorney General, the Deputy Attorney General or the Associate Attorney General. The Office also has responsibility for advising the Office of Government Ethics on matters of law in the area of conflict of interest.

At the request of the Attorney General, OLC represents the Department of Justice on various groups that report to the National Security Council.

A small number of requests are considered appropriate for formal Attorney General opinions, which are drafted in OLC and reviewed, revised and approved by the Attorney General. Most requests result in the preparation of legal opinions signed by the Assistant Attorney General or one of the Deputies based upon the research of one or more of the Office's staff attorneys. Other requests result in the provision of oral advice to the client agency. Since 1977, at the direction of the Attorney General, this Office has published selected formal opinions. Volumes covering the years 1977 through 1987 have been issued. Softbound volumes covering the years 1988 through 1992 have been issued as preliminary prints. Production of hardbound editions for these years is pending.

OLC's role in the Department's legislative program has increased dramatically in recent years, and includes drafting legislative opinions, testimony, and preparation of Presidential signing statements and veto messages. OLC has taken a major role in either testifying or preparing testimony in connection with pending legislation of interest to the Department and the Administration, and has assisted in the drafting of legislation.

In addition, because of its expertise in certain areas, OLC has assumed an on-going advisory role to other Department components, including to the Solicitor General and the litigating divisions on issues relating to presidential authority, separation of powers, executive privilege, national security matters, federalism, immigration matters, the debt ceiling and budget reform, and conflict of interest and ethics.

OLC generally does not initiate any programs nor does it have control over the volume of its work. The work results from requests for opinions and legal advice from the President, the White House staff through the Counsel to the President, the Attorney General, members of the Cabinet and heads of Executive Branch agencies and other Department of Justice officials.

ACCOMPLISHMENTS AND WORKLOAD:

The following statistics are projections of the workload for the Office of Legal Counsel:

Items	1992	1993	Estimates 1994	1995
Executive Orders and Proclamations	85	90	100	105
Opinions	630	733	670	690
Intradepartmental Opinions	862	875	925	940
Special Assignments	4,280	4,590	4,900	5,200

EXPLANATION:

The "Opinions" category is an estimate of advice given to the White House, OMB and other Executive Departments and agencies. It includes both written and oral advice as well as responses to requests for information.

The "Intradepartmental Opinions" category is an estimate of informal advice, formal opinions and bill comments given to the Office of the Attorney General as well as other Departmental units.

The "Executive Orders, Proclamations" category includes the Orders reviewed by OLC for formal and legality, often on an expedited basis.

The "Special Assignment" category is an estimate of a number of different matters which consist of administrative matters, including responses to oral requests for information and referral, and citizen inquiries as well as review of Freedom of Information Act and Privacy Act requests.

Program Changes:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Opinions.....	37	42	$4,027	37	41	$3,991	...	-1	-$36

A program decrease of 1 workyear and $47,000 is requested to meet personnel levels required by the Administration. The reduction will be achieved through attrition. A program decrease of $30,000 is required to reduce administrative expenses to assist in controlling the Federal deficit and in an effort to improve the Federal government's administrative productivity. The reduction will be accomplished eliminating 3 of our parking spaces, cut backs in equipment, supplies and materials and a conscious effort to monitor usage of automated legal research services.

An increase of $72,000 is requested for 1995 to cover the costs of full time equivalent workyears. The Office of Legal Counsel has had to use personnel lapse money to cover unexpected increases in operating costs.

The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For FY 1995, one quarter costs totalling $31,000 must be absorbed by OLC. The reduction will be achieved through reduced costs in printing, supplies and equipment.

Office of Legal Counsel
Salaries and Expenses, General Legal Activities
Financial Analysis - Program Changes
(Dollars in Thousands)

	Legal Opinions								Total	
	Permanent cut in Pos. & FTE		Administrative Savings		Locality Pay Absorption	Program Increase in Pos. & FTE			Pos. & FTE	
	Pos.	Amount	Pos.	Amount		Pos.	Amount		Pos.	Amount
Grades										
GS-9	...	(35)	...	...	...	...	...		...	(35)
Total positions and annual rate	...	(35)	...	...	...	...	...		...	(35)
Reduction in lapse	...	...	...	...	...	...	58		...	58
Other personal compensation	...	...	...	...	...	...	...		...	...
Administratively determined salaries	...	...	...	...	...	...	...		...	...
Total workyears and personnel compensation	(1)	(35)	...	...	...	...	58		(1)	23
Personnel benefits	...	(8)	...	...	...	...	14		...	6
Travel and tranportation	...	...	...	...	...	...	...		...	...
GSA rent	...	...	...	(5)	(5)	...	...		...	(10)
Other rent	...	...	...	...	...	...	...		...	...
Comm. utilities, other charges	...	...	...	...	...	...	...		...	...
Printing	...	...	...	...	(6)	...	...		...	(6)
Other services	...	(2)	...	(5)	...	...	...		...	(7)
Supplies and materials	...	(2)	...	(10)	(10)	...	...		...	(22)
Equipment	...	...	...	(10)	(10)	...	...		...	(20)
Total program workyears and obligations changes requested, 1995	(1)	(47)	...	(30)	(31)	...	72		(1)	(36)

Office of Legal Counsel
Salaries and Expenses, General Legal Activities
Summary of Requirements by Grade and Object Class
(Dollars in Thousands)

Grade Levels	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Appropriation Anticipated Positions & Workyears	1994 Appropriation Anticipated Amount	1995 President's Budget Positions & Workyears	1995 President's Budget Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level III	0		0		0		0	
Executive Level IV	1		1		1		0	
ES-6	0		0		0		0	
ES-5	0		0		0		0	
ES-4	1		1		1		0	
ES-3	1		1		1		0	
ES-2	3		0		1		1	
ES-1	2		5		4		-1	
GS/GM-15	9		6		5		-1	
GS/GM-14	2		1		3		2	
GS/GM-13	4		3		3		0	
GS-12	2		2		2		0	
GS-11	2		3		3		0	
GS-10	1		1		2		1	
GS-9	2		3		4		1	
GS-8	2		3		2		-1	
GS-7	4		4		4		0	
GS-6	1		1		1		0	
GS-5	0		1		0		-1	
GS-4	1		1		0		-1	
GS-3	0		0		0		0	
GS-2	0		0		0		0	
Locality Pay	0	...	0	105	0	105	0	...
1995 Pay Raise	0	...	0	...	0	36	0	36
Total, appropriated positions	38	2,297	37	2,193	37	2,321	0	128
Pay above stated annual rate	...	9	...	9	...	...	...	(9)
Lapses	(7)	(585)	...	(58)	...	...	...	58
Net savings due to lower pay scales for part of the year	...	(58)	...	(26)	...	(9)	...	17
Net Full-time permanent	31	1,663	37	2,118	37	2,312	...	194
Other than permanent:								
Part-time permanent	1	60	1	60	1	60	...	...
Temporary employment	3	125	4	135	3	100	(1)	(35)
Other part-time and intermittent employment		6		0		0		...
Other personnel compsensation:								
Overtime		2		0		0		...
Other compsensation		45		0		0		...
Special personal services payments		0		0		0		...
Total workyears and personnel compensation	35	1,901	42	2,313	41	2,472	(1)	159
Average ES Salary		$98,157		$100,286		100,857		
Average GS Salary		49,800		47,415		51,690		
Average GS Grade		11.4		10.5		11.0		

Office of Legal Counsel
Salaries and Expenses
Summary of Requirements by Grade and Object Class

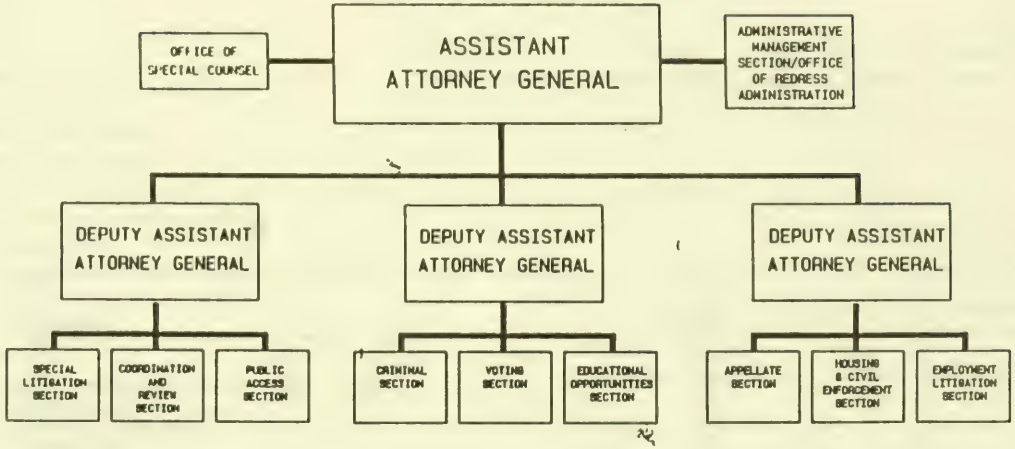
(Dollars in Thousands)

Object Class		1993 Actual		1994 Estimates		1995 Estimates		Increases/Decreases	
		Workyears	Amounts	Workyears	Amounts	Workyears	Amounts	Workyear	Amounts
11.1	Full-Time permanent	31	$1,663	37	$2,118	37	$2,312		$ 194
11.3	Other than full-time permanent	4	191	5	195	4	160	(1)	(35)
11.5	Other personnel compensation		47		0		0		0
11.8	Special personnel services payments		0		0	0	0		0
	Total, workyears and personnel compensation	35	1,901	42	2,313	41	2,472	(1)	159
12	Personnel benefits		408		471		500		29
13	Benefits, former personnel		15		0		0		0
21	Travel and transportation of persons		3		3		2		-1
22	Transporation of things		7		1		1		0
23.1	GSA Rent		505		520		481		-39
23.2	Rental payments to others		0		0		0		0
23.3	Communications, utilities and miscellaneous charges		107		135		142		7
24	Printing and reproduction		1		25		16		-9
25	Other services		444		300		327		27
26	Supplies and materials		55		53		50		-3
31	Equipment		20		0		0		0
	Total obligations		$3,466		$3,821		$3,991		$ 170

Office of Legal Counsel
Salaries and Expenses, General Legal Activities
Detail of Permanent Positions by Category
Fiscal Years 1993 - 1995

Category	1993 Authorized	1994 Authorized	1995	
			Decreases	Total
Attorneys (905)	23	22	0	22
Paralegal Specialist (950)	4	4	0	4
Secretaries	8	8	0	8
General Administrative, clerical & office svc. (300-399)	3	3	0	3
Total	38	37	0	37
Washington	38	37	0	37
Total	38	37	0	37

CIVIL RIGHTS DIVISION



Approved: Janet Reno Date: 2/9/94
JANET RENO
Attorney General

Civil Rights Division

Salaries and expenses

Crosswalk of 1994 Changes

(Dollars in thousands)

Budget Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Adjustment in Workyear Ceiling		Transfers			Reprogrammings			1994 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
7. Civil Rights																	
Federal appellate.....	27	25	$2,619	0	0	0	0	0	0	0	0	0	0	0	27	25	$2,619
Civil rights prosecution..	48	44	4,376	0	0	0	0	4	0	0	0	0	0	0	48	48	4,376
Special litigation.....	35	32	3,417	0	0	0	0	0	0	0	0	0	0	0	35	32	3,417
Voting.....	83	80	7,711	0	0	0	0	7	0	0	0	0	0	0	83	87	7,711
Employment litigation.....	66	63	5,759	0	0	0	0	2	0	0	0	0	0	0	66	65	5,759
Coordination and review...	33	31	3,221	0	0	0	0	1	0	0	0	0	0	0	33	32	3,221
Housing and civil enforcement.....	83	80	8,252	0	0	0	0	0	18	9	1,031	0	0	0	101	89	9,283
Educational opportunities.	31	28	2,656	0	0	0	0	4	0	0	0	0	0	0	31	32	2,656
Public access.....	44	44	8,679	0	0	0	0	3	0	0	0	0	0	0	44	47	8,679
Management and administration.....	58	62	7,846	0	0	0	0	10	0	0	0	0	0	0	58	72	7,846
Total.....	508	489	54,536	0	0	0	0	31	18	9	1,031	0	0	0	526	529	55,567

Adjustment in Workyear Ceiling:
These adjustments are made to accommodate the inclusion of certain classes of employees in workyear ceiling limitations.

Transfers:
Reflects the transfer of funds from Fees and Expenses of Witnesses for funding of the Housing and Civil Enforcement initiatives.

Civil Rights Division
Salaries and expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1994 as Enacted	508	489	$54,536
1994 Transfer (forward funding)	18	9	1,031
SIS Adjustment	0	31	0
1994 Appropriation Anticipated	526	529	55,567
Adjustments to Base:			
Transfer: Office of Special Counsel program functions	35	36	4,389
Transfer from General Administration for mail management	...	...	21
Mandatory increases	18	18	4,566
Non-policy decreases	(18)	(9)	(1,185)
Total Adjustments to Base	35	45	7,791
1995 base	561	574	63,358

Estimates by Program	1993 Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
7. Civil rights matters:	516	496	52,700	516	497	53,857	526	529	55,567	561	574	63,358	626	610	72,185	65	36	8,827
Reimbursable workyears		6			6			6			6			6			...	
Total Workyears		502			503			535			580			616			...	
Other workyears:																		
Overtime		3			3			3			4			4			...	
Total compensable workyears		505			506			538			584			620			...	
10. Office of Special Counsel:	36	36	4,242	36	35	4,229	35	36	4,389	...	...	...	...	...	...	...	...	...
Other workyears:																		
Overtime		1			1			1			...			...			...	
Total compensable workyears		37			36			37			...			...			...	

NOTE: Office of Special Counsel resources are included in 1993 and 1994 for comparability purposes.

Civil Rights Division
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
1994 appropriation anticipated	526	529	$55,567
Transfer: Office of Special Counsel program function	35	36	4,389
Transfer from General Administration for mail management	...	...	21
Annualization of the Housing and Civil Enforcement initiative	18	18	1,646
Mandatory increases:			
Annualization of 1994 pay increase	...	...	393
Locality Pay (3 months)	...	...	417
Within-grade increases	...	...	428
1995 pay raise	...	...	435
General Services Administration (GSA) rent	...	...	461
PACER	...	...	10
FTS 2000	...	...	96
Employee Data and Payroll Services	...	...	5
General pricing level adjustment	...	...	675
Total, mandatory increases	...	...	2,920
Decreases (Automatic, Non-policy):			
One less compensable day	...	...	-141
Accident compensation	...	...	-13
Accident compensation	-18	-9	-1,031
Total, mandatory decreases	-18	-9	-1,185
1995 Base	543	524	63,358

Civil Rights Division
Salaries and Expenses, General Legal Activities
Summary of Resources
(Dollars in thousands)

Estimates by Program	1993 Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
7. Civil rights matters:																		
Federal appellate.....	30	27	$2,607	30	27	$2,626	27	25	$2,619	27	25	$2,758	27	24	$2,712	0	(1)	($46)
Civil rights prosecution.....	44	40	3,632	44	40	3,656	48	48	4,376	48	45	4,598	51	49	4,754	3	1	156
Special litigation.....	35	32	3,233	35	32	3,252	35	32	3,417	35	32	3,583	34	31	3,389	(1)	(1)	(194)
Voting.....	83	60	7,482	83	60	7,455	93	57	7,711	83	57	8,060	90	90	8,327	7	3	267
Employment litigation.....	62	59	4,976	62	59	5,009	66	65	5,759	66	65	6,043	66	65	5,939	0	0	(104)
Coordination and review.....	36	34	3,241	36	34	3,263	33	32	3,221	33	32	3,389	33	32	3,333	0	0	(56)
Housing and civil enforcement.	79	76	6,415	79	77	6,547	101	89	9,283	101	99	10,277	101	98	10,142	0	0	(135)
Educational opportunities.....	31	28	2,518	31	28	2,536	31	32	2,856	31	32	2,788	30	31	2,605	(1)	(1)	(183)
Public access.....	40	40	6,269	40	40	6,600	44	47	6,679	44	47	8,965	65	58	13,258	21	11	4,293
Office of Special Counsel.....	...	...	...	...	...	...	...	...	...	31	32	4,297	56	45	9,239	25	13	4,942
Management and administration.	76	80	10,647	76	80	11,157	58	72	7,846	62	76	8,600	73	87	8,487	11	11	(113)
Total.....	516	496	52,700	516	497	53,587	526	529	55,567	561	574	63,358	626	610	72,165	65	36	8,827
Reimbursable workyears.....		6			6			6			6			6			...	
Total Workyears.....		502			503			535			580			616			36	
Other workyears:																		
Overtime.....		3			3			3			4			4			...	
Total compensable workyears..		505			506			538			584			620			36	
.e. Office of Special Counsel.....	36	36	4,242	36	35	4,229	33	36	4,389	...	...	...	...	...	...	...	...	...
Other workyears:																		
Overtime.....		1			1			1			...			...			...	
Total compensable workyears..		37			36			37			...			...			...	

NOTE: Office of Special Counsel resources are included in 1993 and 1994 for comparability purposes.

Civil Rights Division

Salaries and expenses, General Legal Activities

Justification of Multi-Activity Program Changes

(Dollars in thousands)

Budget Activity/Program	1995 FTE Reductions			1995 Administrative Savings			1995 Locality Pay			Total		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
7. Civil rights matters:												
Federal appellate activity....	0	(1)	$0	0	0	($21)	0	0	($25)	0	(1)	($46)
Civil rights prosecution.....	(1)	(1)	(140)	0	0	(35)	0	0	(37)	(1)	(1)	(212)
Special litigation.....	(1)	(1)	(139)	0	0	(27)	0	0	(28)	(1)	(1)	(194)
Voting.....	(1)	(1)	(140)	0	0	(62)	0	0	(51)	(1)	(1)	(253)
Employment litigation.....	(1)	(1)	(139)	0	0	(46)	0	0	(51)	(1)	(1)	(236)
Coordination and review.....	0	0	0	0	0	(26)	0	0	(30)	0	0	(56)
Housing and civil enforcement.	(1)	(1)	(140)	0	0	(66)	0	0	(61)	(1)	(1)	(267)
Educational opportunities.....	(1)	(1)	(139)	0	0	(21)	0	0	(23)	(1)	(1)	(183)
Public access.....	(1)	(1)	(140)	0	0	(70)	0	0	(38)	(1)	(1)	(248)
Office of special counsel.....	0	0	0	0	0	(35)	0	0	(23)	0	0	(58)
Management and administration.....	0	0	0	0	0	(63)	0	0	(50)	0	0	(113)
Total.....	(7)	(8)	(977)	0	0	(472)	0	0	(417)	(7)	(8)	(1,866)

National Performance Review: As the Civil Rights Division implements the personnel decreases reflected in this budget for FY 1994 and FY 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

Explanation: The Civil Rights Division is being required to absorb reductions of seven positions, eight workyears and $1,866,000 in 1995. In order to meet these mandatory reductions, the Division reduced funding for personnel-related expenses by $1,010,000; technical assistance activities under the Americans with Disabilities Act; initiatives addressing mortgage lending, insurance redlining and fair housing testing; and, other case-related activities by $719,000. The remaining $105,000 will be absorbed by across-the-board reductions, reflected in numerous object classes. Personnel-related reductions will be obtained through the reduction of eight workyears and increasing the period between the time a vacancy occurs and when it is filled.

Civil Rights Division
Salaries and expenses, General Legal Activities
Justificiation of Program and Performance
(Dollars in thousands)

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	27	25	$2,619	27	25	$2,758	27	24	$2,712	...	(1)	($46)

LONG-RANGE GOAL: To reduce the incidence of unlawful denials of civil and constitutional rights.

MAJOR OBJECTIVES:

To file on a selective basis, appellate level cases initiated by the government and serve as a friend of the court in appellate cases which have a substantial impact on federal civil rights enforcement.

To handle all appropriate appellate level litigation in the civil rights area rather than to have such cases handled by enforcement programs.

To provide legal counsel to government departments and agencies on civil rights issues, and legal counsel and research assistance, with respect to pending litigation, to other Division and Department programs.

To provide substantive support for the Division's legislative initiatives and to comment on the legislative proposals of others.

BASE PROGRAM DESCRIPTION: This Program has primary responsibility for handling the Division's work before the U.S. Supreme Court and courts of appeals, for giving legal advice to federal agencies and other organizations within the Department, and for preparing the Division's legislative initiatives and comments on other legislative proposals. Most of the Program's appeals are from district court judgments in cases originally handled by Civil Rights Division trial sections.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Federal Appellate Program are presented below:

	1992	1993	Estimates 1994	Estimates 1995
Briefs Filed.....	86	78	90	90
Solicitor General Recommendations.....	24	39	45	45
Decision Not to Participate or Appeal.....	6	15	20	25
Legal Counsel and Research Assistance Provided.....	100	55	75	80
Legislative Comment and Testimony.....	385	261	300	300

From October 1, 1992 through September 30, 1993, the Division filed 27 papers in the Supreme Court and 51 papers in the courts of appeals. Eighty-three percent of all merits decisions were in full or partial accord with the Division's contentions. The Supreme Court reached the merits in seven cases, five of which were favorable to the Division. For example, in Wisconsin v. Mitchell, the Court unanimously held, consistent with our position, that Wisconsin's criminal enhancement statute which provides for increased penalties if the defendant selected his victim on the basis of race, religion or other specified status, does not violate the First Amendment.

The courts of appeals rendered 34 merits decisions, 29 of which were in full or partial accord with the Division's contentions. In Faulkner & United States v. Jones, the Fourth Circuit affirmed the issuance of a preliminary injunction in a challenge to the male-only admissions policy to The Citadel Corps of Cadets. The district court entered a preliminary injunction requiring the Citadel to admit plaintiff Shannon Richey Faulkner to day classes for the fall semester of 1993 pending a decision on the merits. The Fourth Circuit found that the harm in keeping Faulkner out of classes outweighed any possible harm to The Citadel from the presence of one woman taking day classes at the school. In a joint housing and school desegregation suit, United States v. Balistrieri and Angelina Hurdelbrink, not only did the Seventh Circuit affirm the jury's verdict that the owner and rental agent of a high rise apartment building in Milwaukee had discriminated against blacks seeking apartments, but also upheld the jury's award of compensatory damages for five black testers and a local fair housing council. In addition, the court reversed both an evidentiary ruling which had prevented us from seeking damage awards for two blacks we found during discovery had sought and been denied apartments, and the district court's decision to grant a directed verdict for the defendants on the issue of punitive damages. In United States v. Koon, the Ninth Circuit agreed with our argument, and affirmed the court's ruling allowing the court to maintain the confidentiality of prospective juror responses for the duration of the trial.

The Program has responded to 55 requests for legal counsel to other Divisions and federal agencies on civil rights issues. In the legislative area, the Program has taken the lead in developing legislation to protect access to abortion clinics. That legislation has been passed by both houses of Congress and will go to conference in the next session of Congress. It has also developed proposals to address hate crimes and to establish the burdens of production and proof for demonstrating unlawful intentional discrimination. It has continued to promote its legislative initiatives to make certain interference with fair housing rights a felony and to broaden the coverage of 18 U.S.C. 241 (which prohibits conspiracy to injure, oppress, threaten or intimidate any inhabitant in his exercise of civil rights) and 242 (which prohibits deprivation, under color of law, of constitutional and other federal rights) to protect all persons and not just "inhabitants."

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate	27	25	$2,758	27	24	$2,712	...	(1)	($46)

The Program is being required to absorb decreases totalling $46,000. Of this amount, $21,000 and one workyear is required to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $25,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil rights prosecution	48	48	$4,376	48	48	$4,598	51	49	$4,754	3	1	$156

LONG-RANGE GOAL: To significantly reduce police and other official criminal misconduct and to eliminate or substantially reduce violent activity by private citizens (including organized hate groups) against others because of their race, religion, national origin, or sex, which interferes with the federal and Constitutional rights of individuals.

MAJOR OBJECTIVES:

To ensure the timely investigation of criminal civil rights complaints.

To review expeditiously the investigative reports of potential criminal civil rights violations and to identify those with federal prosecutive merit.

To present potentially meritorious incidents to grand juries for investigation and, where warranted, for indictment and subsequent trial.

To decline prosecution on those incidents that do not warrant federal prosecution.

To ensure a uniform and effective application of the federal criminal civil rights statutes nationwide by reviewing and authorizing criminal civil rights prosecutions proposed by the U.S. Attorneys.

BASE PROGRAM DESCRIPTION: This Program enforces federal statutes designed to preserve personal liberties. Two of these laws, passed during Reconstruction and amended in 1988, prohibit persons from acting under color of law, or in conspiracy with others, to interfere with an individual's federally protected rights. Other statutes prohibit the holding of individuals in peonage or involuntary servitude. The Program is also responsible for the enforcement of the provisions of the Civil Rights Act of 1968 which prohibit the use of force or threats of force to injure or intimidate any person involved in the exercise of certain federal rights and activities. A recent law also proscribes interference with persons in the exercise of their religious beliefs and the destruction of religious property where there is an interstate commerce connection.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Civil Rights Prosecution Program are presented below:

			Estimates	
	1992	1993	1994	1995
Complaints Received*	8,599	9,620	9,620	9,620
Complaints Reviewed	8,969	10,206	11,100	11,600
Matters Investigated*	3,212	3,026	3,026	3,026
Matters Terminated	3,511	3,026	3,320	3,460
New Matters to Grand Jury	74	51	55	60
Cases Filed	64	59	65	70

*Complaints received and matters investigated are not within the control of the Program. Figures for 1994 and 1995 are based on a projection of the 1993 activity level.

Several thousand complaints alleging civil rights violations are reviewed annually, of which about one-third are investigated by the FBI. In 1993, the Program presented 51 matters to grand jury and filed 59 cases charging 97 defendants, including 50 law enforcement officers. Thirty trials, some involving multiple defendants, were held, resulting in 36 convictions and 27 acquittals. Guilty pleas from 45 defendants, in conjunction with the trial convictions, resulted in a success rate of 75%.

The Program expended substantial resources in the past year on two major cases involving official misconduct. After a two-month trial that followed a one year-long investigation, a federal jury convicted two defendants and acquitted two others, who were then officers of the Los Angeles Police Department, in the videotaped beating of Rodney King. All four defendants had previously been acquitted on state charges arising from this incident. In Rochester, New York, seven defendants were charged with conspiring to deprive arrested persons of their civil rights by engaging in a pattern of physical abuse, stealing arrestees' property, making false arrests, and embezzling federal funds. The former Chief of Police, who had pled guilty along with another defendant, was sentenced to two and a half years in prison. Five other defendants in that case, members or supervisors of a federally-funded Highway Interdiction Team, were acquitted after a three-month trial.

Another official misconduct complaint led to a Tennessee state judge being convicted of multiple counts of sexually assaulting women who were involved in domestic disputes pending in his court or who were courthouse employees; he was sentenced to 25 years in prison. In addition, six North Carolina police officers were convicted, and one other acquitted, on charges of physically abusing homeless individuals; five U.S. Marshals employees in Oklahoma pled guilty to charges of assaulting handcuffed, unresisting federal inmates and of filing false reports to justify their use of force. A former Border Patrol agent, who was acquitted on state murder charges, was indicted on federal civil rights charges for several shootings, one of which resulted in the death of a Mexican national.

Incidents of racial violence, the reporting of which has increased substantially in the past several years, remains another priority area for prosecution. In Minnesota, five defendants, mostly juveniles with Skinhead associations, were convicted of or pled guilty to several crossburnings intended to interfere with the housing rights of a black family. The U.S. Supreme Court had overturned an earlier state conviction arising from this same incident when it held the local ordinance to be unconstitutional because it regulated speech. In Alabama, another crossburning at the home of a black family resulted in the conviction of seven Ku Klux Klan members, two of whom were sentenced to 90 months in prison.

The first prosecution brought under 18 U.S.C. 247 (religious interference), enacted in 1988, resulted in the conviction of four defendants, members of a religious sect, who were charged with murdering former church members, including a child, because they had left the sect. Two other defendants in this case remain fugitives.

A slavery case was brought in North Carolina against three operators of an alleged three-state ring of illegal migrant farm labor crews that recruited homeless people and temporary laborers with promises of high wages and free lodging. The operators then conspired to keep them from leaving by threatening them with violence unless they had paid off debts for food and housing.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil rights prosecution	48	48	$4,598	51	49	$4,754	3	1	$156

A notable trend in the past three years has been the increase in the number of investigations pending at the end of each year. While this may be attributable to the Program's efforts to work through the unusually high number of investigations conducted in 1991 as a result of public awareness of the Rodney King beating, there has also been a 75% increase in the number of grand juries pending during those same years. Grand juries require considerable resources and time to conduct. The workload per attorney in the past three years has also been markedly higher, with most lawyers handling over 100 investigations at a time, compared to 60 or 70 in earlier years. As a result, it has taken almost 10% longer in the past two years for attorneys to complete their review of investigations. In sum, the attorneys' workload has increased substantially in both the number of investigative matters requiring their review and the number that eventually result in grand jury presentation.

The Program is being required to absorb decreases totalling $212,000. Of this amount, one position, one workyear and $140,000 plus $35,000 to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $37,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase. These decreases are offset by an increase request of four attorney positions (two GS-15s and two GS-14s), two workyears and $368,000 for a net program increase of three positions, one workyear and $156,000. This attorney staff increase will result in reducing the number of pending investigations so that prosecutable incidents can be more quickly investigated.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Special litigation.....	35	32	$3,417	35	32	$3,583	34	31	$3,389	(1)	(1)	($194)

LONG-RANGE GOAL: To protect constitutional and statutory rights of institutionalized persons, mentally and physically handicapped persons of all ages, and the constitutional rights of persons confined in state and local prisons and jails, and enforce federal laws prohibiting racial discrimination in all public institutions, such as prisons and jails.

MAJOR OBJECTIVES:

To investigate, upon reasonable cause, the conditions of confinement and treatment provided to persons in certain statutorily defined publicly operated institutions.

To obtain voluntary remediation of constitutional deficiencies or other violations of federal law; and, where voluntary remediation cannot be obtained, to initiate litigation.

To initiate and/or participate in litigation designed to eliminate racial discrimination from public institutions; establish constitutional conditions of confinement, care and treatment of institutionalized populations; and, to eliminate discrimination against handicapped persons.

To ensure compliance with existing judgments or consent decrees governing conditions of confinement at public institutions.

BASE PROGRAM DESCRIPTION: This Program is authorized to file suit to protect the rights of persons confined in certain state and local institutions and to enforce provisions of law which prohibit discrimination in public facilities on the basis of race, religion, and national origin. In particular, the Civil Rights of Institutionalized Persons Act of 1980 authorizes the Attorney General to investigate conditions of confinement at certain state and local institutions and, where there is reasonable cause to believe persons confined at such facilities are being deprived of their constitutional or federal statutory rights, to initiate civil suits to ensure the protection and full enjoyment of those rights. The Act covers jails, prisons, pretrial detention centers, and juvenile facilities as well as institutions for the mentally ill, developmentally disabled, and chronically ill.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Special Litigation Program are presented in the following table:

	1992	1993	Estimates 1994	Estimates 1995
Matters/Complaints	2,795	2,800	2,800	3,200
Matters Evaluated for Investigation	125	158	135	125
Congressional/White House Referrals	40	43	46	100
Major Institutional Investigations Initiated	10	19	6	4
Major Institutional Investigations Closed	9	1	4	3
Major Institutional Investigations Pending (end of year)	39	57	59	60
Cases Filed	3	2	4	3
Cases Closed	4	3	4	3
Cases Pending (end of year)	34	33	33	33
Institutional tours conducted (cases and investigation)	88	99	80	80

The Program is actively prosecuting four cases filed in 1992 and 1993 involving conditions of confinement at large residential mental retardation facilities in Pennsylvania, Illinois, and Tennessee. During the period, two of these major, complex cases (one in Tennessee and one in Pennsylvania) were tried; each extending over a month. In addition, in response to widespread allegations of grossly inadequate conditions in Mississippi jails, the Program initiated some 18 investigations of various city and county jails; these investigations were conducted over a two month period. All jurisdictions have been advised of our findings of constitutional violations; settlement discussions are ongoing. The Program continues to monitor compliance with outstanding consent decrees in cases involving 27 facilities.

PROGRAM CHANGES:	1995 Base Perm. Pos.	1995 Base WY	1995 Base Amount	1995 Estimate Perm. Pos.	1995 Estimate WY	1995 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Special litigation	35	32	$3,583	34	31	$3,389	(1)	(1)	($194)

The Program is being required to absorb decreases totalling $194,000. Of this amount, one position, one workyear and $139,000 plus $27,000 to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $28,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase.

	1994 Appropriation Anticipated Perm. Pos.	1994 Appropriation Anticipated WY	1994 Appropriation Anticipated Amount	1995 Base Perm. Pos.	1995 Base WY	1995 Base Amount	1995 Estimate Perm. Pos.	1995 Estimate WY	1995 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Voting	83	87	$7,711	83	87	$8,060	90	90	$8,327	7	3	$267

LONG-RANGE GOAL: To prevent and eliminate systemic barriers to the full participation in the electoral process by racial and language minorities, overseas citizens, and voters who are blind, handicapped, disabled, or illiterate and to achieve effective remedies for those citizens where their right to vote has been denied or abridged.

MAJOR OBJECTIVES:

To discover and remedy methods of conducting elections that dilute the voting strength of racial and language minorities, and actions of state and local election and voter registration administrators that prevent a full and fair exercise of the franchise by racial and language minorities, and overseas citizens.

To prevent, through the Section 5 preclearance program, the implementation of new standards, practices and procedures that have the purpose or effect of denying or abridging racial and language minorities right to vote throughout the 911 counties specially covered by the Voting Rights Act (VRA).

To defend lawsuits that are brought against the United States under the special provisions of the VRA to preclear voting changes and to terminate coverage, and initiate lawsuits against jurisdictions that violate the preclearance requirements of Section 5.

To assure the assignment of federal observers to polling places within the specially covered counties where needed to document discriminatory actions in the electoral process.

BASE PROGRAM DESCRIPTION: This Program enforces laws designed to safeguard the right to vote of racial and language minorities and members of other specially affected groups. In enforcing the Voting Rights Act, the Program brings lawsuits against states and local jurisdictions to challenge unfair election systems; under Section 5 of the Act, administratively reviews voting changes, including such highly sensitive matters as redistricting plans, to determine whether they are discriminatory in purpose or effect; and monitors election day activities through the assignment and oversight of federal observers.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Voting program are presented below:

	1992	1993	Estimates 1994	Estimates 1995
Cases Filed	23	15	11	18
Active Cases	30	30	26	33
Section 5 Submissions Handled	5,445	4,411	5,800	5,800
Section 5 Changes Handled	23,463	16,721	25,520	25,520
Matters Handled	111	160	112	185

During the period, the Program filed 15 new lawsuits and work on 15 suits filed in earlier years was continued. Of the 15 new actions, 14 were either cases brought by the United States under the Voting Rights Act of 1965 or were declaratory judgment actions under Section 5 of the Voting Rights Act, in which the Attorney General is the statutory defendant. By contrast, 8 of the 23 actions commenced in 1992 and 5 of the 11 actions commenced in 1991 focused on this core responsibility.

A major new Program priority is addressing the decision in Shaw v. Reno, the North Carolina congressional redistricting case. The Department's first post-Shaw brief, filed in a private challenge under the Constitution and the Voting Rights Act to Louisiana's 1992 congressional redistricting plan, argued that the state had a compelling interest in drawing two black majority congressional districts and that the court should hold a hearing on whether the challenged plan was narrowly tailored to further that interest.

Similarly, 1993 was a year of accomplishment for the enforcement of Section 5 of the Voting Rights Act. Objections were interposed to 163 voting changes, the second highest number ever and 48% more than in 1992. Objections were interposed to 44 redistricting plans, the use of potentially discriminatory electoral procedures, and a variety of other changes.

The Program has sought to help jurisdictions seeking to comply with the requirements of the National Voter Registration Act of 1993 (the motor voter law) by speaking at several conferences for state election officials.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Voting	83	87	$8,060	90	90	$8,327	7	3	$267

The Program is being required to absorb decreases totalling $253,000. Of this amount, one position, one workyear and $140,000 plus $62,000 to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $51,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase. These decreases are offset by an increase request of eight positions, four workyears and $520,000 for a net program increase of seven positions, three workyears and $267,000. To handle the litigation and other enforcement work required by these initiatives, and maintain the Program's overall enforcement record at the 1993 levels, will require three additional attorneys (one GS-12, one GS-13 and one GS-14), one GS-9 paralegal, three GS-9 civil rights program analysts, and one GS-6 clerical staff member.

Funding at the increased level will enable the Program to enforce the Voting Rights Act while handling the nondiscretionary function of analyzing Section 5 submissions and the litigation resulting from the enactment of the Voting Rights Language Assistance Act of 1992 and the National Voter Registration Act of 1993 and (if enacted) the Voting Rights Extension Act, and from the Supreme Court's 1993 decision in Shaw v. Reno. This increase will allow the Program to meet these new responsibilities while maintaining its other enforcement activities at the 1993 level. It will also enable the Program to file three lawsuits more than in 1993 to enforce the National Voter Registration Act of 1993 and the Voting Rights Language Assistance Act of 1992 and to handle a 16% increase in matters over 1993, while responding successfully to the 24% increase in changes submitted under Section 5 as a result of the new legislation.

The Voting Rights Language Assistance Act of 1992 extended and expanded Section 203 of the Voting Rights Act to increase minority language coverage to include, among other places, Los Angeles County, California, for Spanish, Chinese, Filipinos, Japanese, and Vietnamese; three other California counties for Asian American groups and eight other California counties for Spanish; three boroughs of New York City for Chinese; and Boston, Cook County, three New Jersey counties, three New York counties, and Philadelphia for Spanish. Already underway are investigations of jurisdictions that are resisting compliance. The lawsuits that will be the result of such lengthy investigations into the complex issues regarding the language needs of the protected groups, and the means necessary to meet these needs, will extend through 1995.

The National Voter Registration Act of 1993 (the motor voter law), will add 3,000 additional changes per year to the Section 5 submission workload. Another unavoidable obligation under the motor voter law will be the defense of the expected constitutional challenges similar to those that occurred during the first two years after the enactment of the Voting Rights Act Amendments of 1982, when the Program defended the constitutionality of amended Section 2 of the Voting Rights Act, in nine lawsuits. In addition, the Program anticipates that it will be required to handle at least two other motor voter-related cases per year to assure that states and counties comply with the specific requirements of the motor voter law, and to assure that, in implementing the requirements of the motor voter law, states and counties do not violate the Voting Rights Act or other federal civil rights laws.

The Voting Rights Extension Act which was introduced in response to the Supreme Court's 1992 decision in Presley v. Etowah County Commission--to make clear that the transfer of an elected official's decision-making power requires preclearance under Section 5--would, if enacted, add 800 voting changes per year to its Section 5 workload, which have not been included in the workload estimates.

The Shaw v. Reno decision will lead to more litigation as we seek to protect minority voting rights during the period of uncertainty created by the Court's decision, as lower federal courts call upon us for our views on the proper application of Shaw to the facts in private cases, and as defendants raise issues related to Shaw to contest cases that would have been resolved by consent in the past.

The volume of Section 5 submissions has increased dramatically over the years and continues to do so. Thus, during 1992, the Program received for review 5,445 submissions containing 23,463 voting changes, nearly twice as many submissions as in 1982 (the comparable year following the 1980 census), and 1.2 times as many submissions were received as in 1988 (the most recent presidential election year). In 1993, objections were interposed to 191 voting changes, the second highest number ever for any year, and over 48% more than in 1992. Further, the level of complexity of submissions has increased, requiring that the experience, skill level and time spent by analysts and their supervisors be enhanced. The Program was able to handle the record number of submissions in 1992 only by stop-gap measures such as resorting to large amounts of compensatory time and overtime. While the Program has experienced a reduction in Section 5 submissions for 1993 because the number of post-1990 census redistricting plans has subsided and because 1993 is the low point in the election cycle, the enactment of the National Voter Registration Act of 1993 (the motor voter law) will result in the submission of an additional 3,000 or more voting changes per year.

In addition, in 1994 and 1995 many more jurisdictions will be preparing for elections than in 1993, and Section 5 activity should increase substantially. Population growth (resulting in more polling places, annexations etc.) and increasing awareness on the part of state and local officials of the need to make submissions accounts for this increase. In addition, the Voting Rights Language Assistance Act of 1992 has resulted in substantial new minority language coverage under Section 203 of the Voting Rights Act, and a substantial number of additional minority language submissions are anticipated from these jurisdictions that are newly covered (or that are covered for new languages) and are subject to the preclearance requirement of Section 5. For example, nine counties in Arizona are covered for the first time with respect to eight additional American Indian languages, and New York City has Chinese language coverage for the first time. Moreover, legislation introduced in response to the Supreme Court's 1992 decision in Presley v. Etowah County Commission, as mentioned above, would, if enacted, require review of an additional 800 or more voting changes per year, which have not been included in our estimates.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Employment litigation.....	66	65	$5,759	66	65	$6,043	66	65	$5,939	...	...	($104)

LONG-RANGE GOAL: To reduce employment discrimination by state and local governmental units and federal contractors.

MAJOR OBJECTIVES:

To commence investigations of complaints referred to the Program by the Equal Employment Opportunity Commission (EEOC), or other agencies, within 60 days of the referral, to make a recommendation to the Assistant Attorney General or to close the case and issue a letter of right-to-sue within 90 days of the date the investigation commences and to file suit with or without a consent decree within 45 days of the Assistant Attorney General's approval of the complaint.

To file 18 cases based upon referrals of charges from the EEOC.

To issue right-to-sue notices to persons who have filed, with the EEOC, complaints of employment discrimination against state and local governments within 14 days of receipt of a request.

BASE PROGRAM DESCRIPTION: This Program enforces the federal prohibitions against discrimination in employment based upon race, sex, religion, national origin, and disability. The Department of Justice is the sole federal agency empowered to initiate litigation to redress such employment discrimination by units of state and local government. In addition, the Program represents other federal agencies which are sued by virtue of their enforcement of federal equal employment opportunity laws. It also has litigating responsibility in the employment area in the private sector on referral from the Department of Labor of cases against federal contractors pursuant to Executive Order 11246 and other federal agencies pursuant to Section 504 of the Rehabilitation Act of 1973.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Program are presented below:

	1992	1993	Estimates 1994	Estimates 1995
Investigations (Pattern or Practice and Individual Cases)	144	146	146	150
Active Litigation (Pattern or Practice and Individual Cases	40	42	42	45
Agency Referrals (EEOC and Defensive Cases)	102	103	102	115
Cases Commenced (Pattern and Practice, EEOC and Defensive Cases)	22	17	18	20
Cases Terminated	24	31	28	31
Right-to-Sue Notice Requests Received	1,630	2,749	3,600	4,900
Right-to-Sue Notices Issued	1,700	2,380	3,600	4,900
Decrees Requiring Monitoring	162	162	175	190
Decrees Actively Monitored	60	60	65	65
Decrees Obtained	30	15	18	20

Title I of the Americans With Disabilities Act (ADA) became effective on July 26, 1992, and the program has begun its enforcement effort. It is important to demonstrate that the Department of Justice will enforce vigorously the provisions of the ADA in the state and local government arena. Such a program not only will vindicate the rights of the disabled, it also will send a potent message to other employers that the United States is committed to an enforcement effort. Thus, employers will be encouraged by the Program's enforcement efforts to review voluntarily their employment practices and amend or eliminate those that discriminate unlawfully against the disabled who are otherwise qualified for employment. Recently, the Program filed a case against the State of Illinois and the City of Aurora, Illinois alleging a pattern or practice of discrimination in violation of Title I of the ADA with respect to the administration of pension systems for police officers and firefighters.

In the past year, the Program obtained $165,000 in back pay against the Dallas Area Rapid Transit system. This amount represents the largest award of back pay to an individual charging party in any case initiated by the Program pursuant to Section 706 of Title VII. Moreover, later in the year, the Program obtained monetary awards of $111,000, $70,000, $28,400, $38,000, and $42,500, for individual charging parties. The program has underway Stage II proceedings in its pattern or practice litigation against the Florida Department of Corrections: Orleans Parish, Louisiana, Sheriff's Department; the Delaware Department of Corrections; the City of Warren, Michigan; Kern County, California; and, El Monte and Alhambra, California. In these cases, the Program is engaged in labor intensive efforts to identify and to make-whole, through back pay and offers of employment, individual victims of discrimination. It is expected that more than $8 million in back pay and scores of employment opportunities will be obtained in these cases.

In addition, the Program is preparing to litigate a pattern or practice case against the State of New Jersey that potentially involves the largest number of victims of an employer's discrimination of any case in the Program's history. The Program also has committed substantial resources to active litigation against the Commonwealth of the Northern Mariana Islands, the North Carolina Department of Corrections, the cities of Belleville, Illinois, Palm Beach Gardens, Florida, Piscataway, New Jersey, and Torrance, California. Further, the Program is actively enforcing outstanding court orders against the cities of Montgomery and Birmingham, Alabama; Boston, Massachusetts; Buffalo, N.Y.; San Francisco, California; and Chicago, Illinois.

Annually, the EEOC refers to the Program unresolved complaints of employment discrimination for litigation. Each one of these referrals is reviewed by a staff attorney to determine if further investigation is warranted. If so, an investigation and, if appropriate, litigation follows.

The Program's responsibility to monitor decrees has increased significantly and there are expected to be approximately 175 decrees for which the Program has enforcement responsibilities pending at the beginning of 1994.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Employment litigation	66	65	$6,043	66	65	$5,939	...	...	($104)

The Program is being required to absorb decreases totalling $236,000. Of this amount, one position, one workyear and $139,000 plus $46,000 to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $51,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase. These decreases are offset by an increase request of one attorney position, one workyear and $132,000 for a net program decrease of $104,000. The staffing increase will enable to Program to continue addressing workload requirements. This requested increase equates to two (12%) additional Title VII and Title I cases being commenced, four (3%) additional investigations, three (7%) additional cases in active litigation, and two (11%) additional decrees being obtained--while agency referrals continue to rise by 12 (11%) over 1994.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Coordination and review.....	33	32	$3,221	33	32	$3,389	33	32	$3,333	...	...	($56)

LONG-RANGE GOAL: To achieve consistent and effective enforcement of various civil rights statutes that prohibit discrimination on the basis of race, color, national origin, disability, sex, and religion in federally assisted programs, on the basis of disability in state and local government services, and on the basis of disability in federally conducted programs.

MAJOR OBJECTIVES:

Implement administrative enforcement of Title II of the Americans with Disabilities Act (ADA) through the investigation of complaints of discrimination on the basis of disability in State and local government programs where DOJ is the "designated agency" for complaint investigations.

Refer findings of noncompliance for possible litigation under Title II of the ADA or funds termination under Section 504 of the Rehabilitation Act of 1973, as amended.

Coordinate consistent and effective government-wide enforcement of Title II through the issuance of policy guidance and assistance to other federal agencies with Title II enforcement responsibilities.

Maintain a "clearinghouse" function to refer Title II and other civil rights complaints to the appropriate investigatory agencies, and to monitor the disposition of those complaints.

Develop new regulations and amendments to existing regulations for DOJ and for other agencies.

Maintain a continuing program of civil rights oversight, regulatory and program review, policy guidance, and technical assistance under Executive Order 12250 with respect to federal agencies administering federally assisted programs and to maintain liaison with other Department organizations and federal agencies involved in civil rights litigation.

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Maintain a continuing program of oversight, regulatory and program review, policy guidance, and technical assistance to all federal executive agencies, and Department component organizations, to enable them to meet the requirements of Section 504 with respect to their federally conducted programs.

BASE PROGRAM DESCRIPTION: The Coordination and Review Program implements the administrative enforcement provisions under Title II of the ADA, which prohibits discrimination against individuals with disabilities in the receipt of public services. This regulation affects all operations of state and local governments, whether or not they receive federal funds. The Program is responsible both for the coordination of Title II administrative enforcement by other agencies, and for the Department's own complaint investigation and compliance review functions. These activities include: investigating complaints and performing compliance reviews, seeking resolution of complaints through alternative dispute resolution techniques and voluntary compliance agreements, issuing formal letters of findings of compliance and noncompliance and seeking voluntary compliance where noncompliance is found, and referring cases for litigation where voluntary compliance is not obtained.

The Program ensures that all federal Executive agencies effectively and consistently implement the nondiscrimination provisions of federal statutes prohibiting discrimination on the basis of race, color, national origin, disability, religion, or sex, in programs that receive federal financial assistance. Under Executive Order 12250, the Program undertakes a diverse array of regulatory and administrative initiatives. The Program reviews all new civil rights regulations for consistency, adequacy, and clarity; approves annual civil rights implementation plans setting forth the goals, priorities and proposed activities of the various agencies; collects government civil rights workload and performance data; provides training and technical assistance to improve their civil rights enforcement procedures and programs as well as outreach programs; and, promotes interagency information sharing and cooperation.

The Program provides support to the Assistant Attorney General for Civil Rights as the Chairperson of the Interagency Disability Coordinating Council established under the Rehabilitation Act Amendments of 1992, and as the Department of Justice representative on the Architectural and Transportation Barriers Compliance Board. Support is provided to the Office of the Solicitor General, the Civil Division, and other federal agencies as discussed above.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Coordination and Review program are presented in the following table:

	1992	1993	Estimates 1994	Estimates 1995
ADA Title II Complaints:				
New complaints retained for investigation	301	458	600	650
Closed	28	161	150	150
ADA Title II Coordination:				
Complaints referred to other agencies	274	520	520	520
Responses to citizens and public officials	200	200	200	200
Regulatory Activities:				
ADA regulations and policy guidance documents reviewed/developed	50	20	15	10
Other regulations and policy documents reviewed/developed	6	15	10	5
Executive Order 12250 Activities:				
Reviews conducted of agency programs/data	20	23	23	23
Responses to citizens and public officials	300	250	250	200
NIC and other complaints closed	45	5	...	...

Accomplishments and workload reporting categories have been revised for 1992-1995 to reflect implementation of Title II coordination and complaint investigation responsibilities and to more clearly report on regulatory and policy activities under the ADA and E.O. 12250, respectively.

Implementation of Title II of the ADA commenced on January 26, 1992. In 1992, 301 complaints were retained for investigation on behalf of DOJ, which is the Title II "designated agency" for complaints involving public safety and the administration of justice, and general government functions not assigned to other federal agencies. Complaints allege a wide variety of violations including physical inaccessibility, discriminatory policies, employment discrimination, and failure to provide auxiliary aids such as sign language interpreters and written materials in alternate formats. In 1993, 458 new complaints were received. In the first quarter of 1994, 154 additional complaints were received. A total of 220 complaints were closed during the first quarter of 1994. These closures included seven formal settlement agreements and 61 successful resolutions in lieu of formal investigations. The Program issued 22 formal letters of findings and referred one case to the Public Access Program for litigation. Complaints received and referred to appropriate designated agencies increased dramatically, from 278 in 1992 to 632 in 1993; an additional 167 complaints were referred during the first quarter of 1994.

The Program provided procedural guidance to "designated agencies" responsible under the DOJ implementing regulation for conducting Title II investigations and to Section 504 funding agencies regarding the relationship of Title II and Section 504. The Program provided support to the Interagency Coordinating Council in its review of issues related to the coordinated enforcement of Section 504 and the ADA, and to the Architectural and Transportation Barriers Compliance Board (ATBCB), which issues accessibility guidelines for Title II and Title III and provides technical assistance. The Program also identified and began study of major Title II enforcement policy issues and responded to an influx of inquiries and requests for policy interpretations from public officials, associations and citizens.

The Program's regulatory activities included the development and publication, in conjunction with the Equal Employment Opportunity Commission, of a proposed regulation for coordinating ADA employment complaints, the analysis of comments, and the preparation of a final rule. The Program also: guided the development of the ATBCB's Title II design standards for state and local governments; coordinated and cleared for publication a Department of Education regulation on fringe benefits; developed several proposed and final rules amending DOJ's Title II and Title III ADA rules and a DOJ Age Discrimination regulation; and, approved several Section 504 regulations for federally conducted programs.

With respect to Executive Order 12250 activities, the Program reviewed the civil rights plans and workload and performance data reports from 23 agencies.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Coordination and review	33	32	$3,389	33	32	$3,333	...	...	($56)

The Program is being required to absorb decreases totalling $56,000. Of this amount, $26,000 is required to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $30,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Housing and civil enforcement.....	101	89	$9,283	101	98	$10,277	101	98	$10,142	...	...	($135)

LONG-RANGE GOAL: To eliminate illegal discrimination in housing opportunities and credit transactions; to eliminate illegal discrimination in places of public accommodation; and, to secure general compliance with the Equal Credit Opportunity Act (ECOA) and its implementing regulations.

MAJOR OBJECTIVES:

To investigate compliance with and initiate litigation to enforce the Fair Housing Act and the ECOA, monitor final court orders resulting from such suits, and move for contempt of court or other relief where the facts warrant.

To initiate litigation, upon referral from the Department of Housing and Urban Development (HUD), to enforce the Fair Housing Act.

To communicate equal housing and equal credit opportunity information to the public by liaison with federal, state and local enforcement agencies, and private fair housing groups.

To investigate compliance with and initiate litigation to enforce the provisions of Title II of the Civil Rights Act of 1964 relating to public accommodations.

BASE PROGRAM DESCRIPTION: This Program enforces federal statutes prohibiting discrimination in housing, consumer credit, and public accommodations. Authority in this area has been substantially expanded by the Fair Housing Amendments Act of 1988. This Act, which went into effect in March 1989, gives the Program added authority to seek damages and civil penalties, in addition to injunctive relief, in fair housing cases; to seek relief for individual victims of discrimination as well as against the "pattern and practice" of discrimination; and, to seek relief where there is discrimination on the basis of handicap and familial status in addition to race, color, religion, national origin and sex.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Program are presented in the following table:

	1992	1993	Estimates 1994	Estimates 1995
Total Cases Filed	84	129	220	238
Non-Discretionary	66	102	163	163
HUD Election	63	91	150	150
HUD Prompt Judicial Action	2	8	10	10
Defensive Cases	1	3	3	3
Discretionary	18	27	57	75
Pattern or Practice				
Testing	1	7	25	35
Mortgage Lending	1	...	7	10
Insurance	...	...	1	3
Other	7	11	10	11
HUD Zoning and Other Referrals	5	1	5	5
Amicus Curiae	3	5	5	7
Public Accommodations	1	2	3	3
Intervention	...	1	1	1
Case Resolutions	86	116	115	135
Consent Decrees	74	91	90	100
Litigated Judgments	12	25	25	35

The workload table presents data concerning the performance of the Program primarily in terms of (1) non-discretionary case filings -- cases referred to us by HUD which under the Fair Housing Act, as amended in 1988, which the Attorney General is required to bring, and (2)

discretionary case filings -- primarily cases brought under pattern or practice authority conferred on the Attorney General by the Fair Housing Act. The pattern or practice suits are further broken down to demonstrate those cases initiated under major initiatives of the Program, i.e., cases resulting from the testing, mortgage lending and insurance industry initiatives. The testing program and mortgage lending initiatives are particularly high priority activities of the Program.

The data indicates the very significant increase in case filings between 1992 and 1993 -- an increase of over 50%. Moreover, this rate of case filings is over six times what it was prior to the effective date of the amended Fair Housing Act in March of 1989, when the Program typically had 20-25 case filings, of which 15-20 were pursuant to the Fair Housing Act.

The data reflects significant activity the Program will undertake as a result of a transfer of $1,031,000 and 18 positions in 1994. This transfer enables the Program to meet its increased workload, which is expected to continue to grow in the future, and further to expand investigations into mortgage lending, property insurance and housing discrimination, and increase the number of discretionary cases filings.

The bulk of the increase has been in the area of nondiscretionary filings. Initially, there were very significant increases in such filings from 1989 - 1991, with even a slight decrease between 1991 and 1992. However, the increase between 1992 and 1993 is the largest yet and has resulted in a significant increase in the number of cases being handled by each of the attorneys in the Program.

The data also reflects significant increases in discretionary filings, especially in the number of pattern or practice case filings. Such filings are particularly important to the Program's enforcement effort because of their greater scope and impact than cases referred to us by HUD, which generally involve individual instances of discrimination. The data especially reflects a major increase in such pattern or practice cases resulting from the testing initiative which was launched in November of 1991. This testing initiative is one of Program's highest priorities. It has proven very effective as it has gotten up and running and has vast potential for improving the scope and effectiveness of the enforcement program. One such filing recently resulted in a settlement of $350,000, one of the largest in the Program's history, and another was for $260,000. We expect major increases in the filing of such testing cases in the future (from seven cases in 1993 to 25 in 1994).

While there were no new filings in 1993 in the mortgage lending area, another area of highest priority for the Program, several new investigations were initiated during the year. Early in 1994 these investigations led to the filing of two new cases in this area. With added resources, the Program expects to increase this number significantly in the future. Similarly, there was progress in our efforts to combat discrimination in the provision of property insurance. This has been an area of increasing activity in recent years with the Program participating in an important case before the Seventh Circuit Court of Appeals which resulted in a holding that discrimination in the provision of such insurance violates the Fair Housing Act. A major investigation of alleged discrimination by a large insurance company was initiated in 1993. Like investigations in the mortgage lending area, this investigation is amongst the most complex and resource-intensive initiated by the Division in recent years. We expect to initiate our first case in this area in 1994.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Housing and civil enforcement	101	98	$10,277	101	98	$10,142	...	...	($135)

The Program is being required to absorb decreases totalling $267,000. Of this amount, one position, one workyear and $140,000 plus $66,000 to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $61,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase. These decreases are offset by an increase request of one attorney position, one workyear and $132,000 for a net program decrease of $135,000. This additional position and funds are needed to allow the Program to meet existing demands and expand discretionary case filings.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Educational opportunities.....	31	32	$2,656	31	32	$2,788	30	31	$2,605	(1)	(1)	($183)

LONG-RANGE GOAL: To eliminate segregation in public elementary and secondary schools and public institutions of higher education. To eliminate discrimination in and/or denial of educational opportunities to students on account of race, sex, color, or national origin.

MAJOR OBJECTIVES:

To eliminate denial of equal protection of the law in educational institutions on account of sex; and, secure equal educational opportunities for students in public school systems and educational institutions receiving federal financial assistance.

To seek supplemental judicial relief to eliminate the vestiges of racially dual school systems and to achieve compliance with constitutional requirements. This relief in school districts will lead to the elimination of the need for judicial supervision of many of these school districts.

To file lawsuits, upon referral from the Department of Education (ED), to enforce nondiscrimination assurances made by educational institutions receiving federal funds and defend ED against court challenges to its authority to enforce civil rights assurances by federal recipients through the administrative process.

BASE PROGRAM DESCRIPTION: This Program enforces federal statutes which require nondiscrimination in public education. Enforcement efforts involve elementary and secondary schools, as well as public colleges and universities. The Program also has responsibility for representing the Department of Education in certain types of suits filed against the Secretary of Education, as well as for filing suits on behalf of the Secretary when school districts fail to comply with various statutes.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Program are presented below:

	1992	1993	Estimates 1994	Estimates 1995
Cases/Matters Received.....	480	500	500	500
Investigations Conducted.....	360	340	330	330
Cases and Major Motions Filed.....	23	27	28	25
Cases Closed.....	125	150	150	140
Defensive Cases in Progress.....	9	7	10	10
Judgments/Decrees/Agreements.....	175	189	200	175

Recent enforcement efforts have not just emphasized traditional desegregation issues but have also emphasized obtaining relief for minority students which results in enhanced educational opportunities. In several cases the Program has either obtained consent decrees or court orders which require that school officials ensure minority students receive equal and full access to programs for gifted students and advanced academic programs. Recently, the Program completed an investigation of complaints filed against the Randolph County School District in Georgia. The investigation revealed that black high school students are consistently assigned to remedial classes (general math), while white students are assigned to advanced, accelerated, and college preparatory classes (e.g., Algebra and Calculus). Additionally, black elementary students are generally assigned to non-challenging and remedial classes, while whites are not treated the same. The school district has agreed to take corrective actions, ensuring that black students are provided equal educational opportunities and that they are not disproportionately assigned to remedial classes. In other cases, school districts have been required to construct new facilities to ensure that minority students attend desegregated schools and that minority students have better facilities.

The Program has pursued a special initiative involving addressing the needs of non- or limited English speaking students who are being denied equal educational opportunities because of language barriers. Previously, the Program resolved allegations that Navajo Indian students enrolled in the Cuba School, in New Mexico, were being placed in special education classes; that Navajo students were dropping out of school at a disproportionate rate because of language barriers; and, that the district was failing to take reasonable steps to employ bilingual teachers. An investigation was recently completed of the San Juan School District in Utah and similar problems were determined. The district has failed to provide adequate language services to Native American students and, therefore, these students are not being provided educational opportunities equal to those received by white students. Additionally, the investigation revealed that Native American students living in a particular area in the school district do not have access to a school and must travel for long periods of time and distances in order to attend the next nearest school or must live away from home with a relative who lives near a school. Unless the district agrees to address these problems voluntarily, a suit will be filed.

The program continues to handle several high profile, complex, statewide, and voluminous higher education suits. The Program was successful in obtaining another favorable court judgment in a higher education case. On December 23, 1992, the District court in United States v. State of Louisiana entered an order and a judgment adopting a comprehensive statewide desegregation plan and requiring the state to begin immediately to implement said plan. Pursuant to an appeal by the defendants, on December 10, 1993, the Court of Appeals reversed the summary judgment entered in favor of the government on procedural grounds and directed the district court to conduct a full liability trial. Thus, the Program is now preparing this complex and high profile case for a new trial, which like similar cases, will involve numerous experts in different fields and require at least five to ten weeks to conduct the trial.

Additionally, in June 1992, the Supreme Court issued a favorable decision in United States and Ayers v. Fordice. This is the first decision of the Supreme Court which deals squarely with the area of higher education desegregation; thus, it clarifies the law in this area. Based upon the Fordice decision, an unfavorable decision of the lower court in the Mississippi cases was reversed and the case has been remanded to the district court for further proceedings. Trial is scheduled to commence in February 1994 and is expected to last eight to ten weeks. During the past year the parties have engaged in discovery and trial preparation. To date, discovery has produced more than 150,000 pages of documents, and the parties collectively have employed 40 expert witnesses, each of whom has been deposed and will testify at trial.

In the area of sex discrimination, the Program completed an investigation of allegations of sex discrimination and harassment of females in the Corps of Cadets at a major Texas public university. The university in question has taken positive steps to address the problems raised in the complaints. Additionally, the Program is handling two high profile gender discrimination suits involving discriminatory admissions policies.

Recently, the Fourth Circuit Court of Appeals determined that the male only admissions policy of the Virginia Military Institute (VMI) is unconstitutional. Subsequently, the defendants submitted a proposed remedial plan. The government strongly objected to the proposed plan, which maintains VMI as a male-only institution and creates a private women's college, which offered few of the benefits found at VMI. Discovery has been on-going for five months and some of the nation's leading experts in gender discrimination will testify at the February 1994 trial. Also, the Program intervened in a similar case filed against The Citadel in Charleston, South Carolina. Although the parties are still preparing for a full liability trial which will be held in early spring, the government and private plaintiffs were successful in obtaining a preliminary injunction allowing the female plaintiff to enroll in daytime classes at The Citadel. Thus, the plaintiff will be the first woman ever to enroll in the regular undergraduate program at The Citadel. Finally, the Program recently filed an amicus brief in a case which challenged the constitutionality of Title IX (sex discrimination) of the Education Amendments of 1972, and obtained a favorable ruling which will enhance the enforcement authority of the both the Departments of Justice and Education under Title IX.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Educational opportunities.	31	32	$2,788	30	31	$2,605	(1)	(1)	($183)

The Program is being required to absorb decreases totalling $183,000. Of this amount, one position, one workyear and $139,000 plus $21,000 to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $23,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Public access.....	44	47	$8,679	44	47	$8,965	65	58	$13,258	21	11	$4,293

LONG-RANGE GOAL: To ensure that public and private entities comply with the Americans with Disabilities Act (ADA) and the Department's regulations prohibiting discrimination in public services, places of public accommodations, and commercial facilities.

MAJOR OBJECTIVES:

Develop the legal principles and technical assistance necessary to create a nationwide climate where voluntary compliance with Title II (public services) and Title III (public accommodations and commercial facilities) of the ADA can be achieved.

Secure compliance with Titles II and III by initiating litigation or participating in private suits when there is an alleged pattern or practice of discrimination or when the alleged discrimination raises issues of general public importance.

Manage the Department's technical assistance program directed to state and local governments, private entities that operate public accommodations, commercial facilities, and individuals with disabilities.

Coordinate a government-wide program to ensure consistency and efficiency among Federal agencies' technical assistance programs.

Manage a program to certify state and local building codes that meet ADA Standards for Accessible Design and to provide technical assistance to building code officials and model code organizations.

BASE PROGRAM DESCRIPTION: This program implements the Department of Justice's responsibilities under Titles II and III of the Americans with Disabilities Act (ADA), which prohibits discrimination based on disability in public accommodations, commercial facilities, and the programs, services and activities of state and local governments. Program staff receive and investigate complaints of alleged discrimination in public accommodations and commercial facilities under Title III of the ADA and, where facts and legal standards justify, file complaints in the appropriate district courts to remedy unlawful discrimination. The Program also initiates litigation based on referrals from eight federal agencies designated to handle administrative enforcement under Title II of the ADA for state and local government programs, activities, and services, including litigation to ensure that transportation systems in the country are accessible. Program staff seek to avoid contested

litigation through the entry of settlement agreements and court approved and enforceable consent decrees. Suits seek to remedy all forms of purposeful discrimination and practices having a discriminatory impact. The program monitors decrees in order to ensure that the terms of the decrees are fulfilled.

The Program conducts technical assistance activities for entities covered by, and for persons with disabilities having rights under Titles II and III of the ADA, as required by Section 506 of the ADA. These activities include technical assistance provided through third parties operating under grants and contracts administered by the Program. The Program also provides technical assistance directly through a telephone information line, the development and distribution of interpretative materials, an ADA speaker's bureau, and annual updates to the statutorily required technical assistance manuals for Titles II and III. The Program also manages a government-wide technical assistance program in order to facilitate a coordinated approach to achieving voluntary compliance with the ADA. Program staff work with representatives of other Federal agencies that have ADA responsibilities to ensure that technical assistance provided by these agencies is consistent and provided in a cost-effective manner.

The Program provides technical assistance to and acts upon requests from state and local jurisdictions seeking certification that their building codes meet or exceed ADA accessibility requirements. The Program provides public notice and conducts public hearings on its proposed certifications. In addition, the Program provides technical assistance to private sector organizations that are revising or developing model accessibility codes or consensus standards based on ADA requirements.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the Program are presented in the following table:

			Estimates	
	1992	1993	1994	1995
Litigation:				
Cases Commenced	1	5	25	40
Decrees Obtained	...	1	10	16
Title III Complaints and Compliance Reviews:				
Complaints Received	515	1,209	1,500	2,000
Investigations Initiated	515	710	300	400
Investigations Resolved Satisfactorily	1	58	100	150
Formal Settlement Agreements	...	4	10	10
Investigations Closed	23	261	500	500
Compliance Reviews Initiated	...	...	60	210
Technical Assistance:				
Information and Publications Disseminated	.8M	6.3M	6.3M	7.4M
Grants Initiated and/or Supplemented	11	18	14	21
State and Local Code Certification:				
Requests Received	...	2	10	15
Final Determinations Issued	...	...	3	6
Responses to Technical Assistance prior to Certification	...	3	5	10

The 1993 figures pertain to a Program that is just becoming fully operational in some areas, because the authorizing statute has only been fully effective for eight months (and effective in part for one additional year), the Program has existed for only eleven months, and almost

all the attorneys began work with the Division at that time. Within the last eight months, the work of the Program has begun in earnest: complaints have been fully investigated, capabilities to address issues have been sharpened, and new attorneys have mastered intricacies of the ADA.

During this time, the Program filed its first cases, entered into its first consent decree and settlement agreements, and filed its first amicus briefs. In U.S. v. Becker CPA Review, Inc., filed in December 1992 and expected to be resolved in 1994, the Department challenges the failure of the nation's largest CPA review course to provide effective auxiliary aids, in this case interpreters, to students with hearing impairments. The Program obtained its first consent decree in U.S. v. Venture Stores, Inc. in May 1993. Venture, a chain of more than 90 discount department stores, agreed to accept state ID cards from customers as identification for purposes of payment by check. Formerly many individuals with disabilities could not take advantage of the opportunity to pay by check because their disabilities prevented them from obtaining drivers' licenses. The Program has also obtained significant out-of-court agreements resolving several complaints, including: (1) Intercontinental Hotel, New York: The 691-room facility will now have an accessible entrance, lobby, ballroom, elevators, and guest rooms; provide auxiliary devices for persons with hearing impairments; and modify its reservation policies to ensure availability of accessible rooms to those who need them; (2) Municipal Credit Union, New York: An accessible entrance and appropriate signage have been provided; (3) Sardi's Restaurant, New York: an accessible restroom was provided.

The Program has intervened in a private action, in order to defend the constitutionality of Title III. The Program has filed amicus briefs in other cases, arguing that the City of Philadelphia violated title II by failing to install curb cuts whenever it resurfaced its streets; that a person with learning disabilities was entitled to accommodations for taking a State bar examination; that there is a private right of action for damages, including damages for emotional distress, under title II; and that States have no immunity from title II lawsuits.

The next two years are crucial ones for the enforcement of the ADA. To be fully effective, the Program must increase its Title III presence, and must take steps to fulfill other statutory mandates: conducting compliance reviews of covered entities (not complaint-driven actions) and Title II litigation. In order to focus its resources in areas where enforcement action is most critically needed, and in light of its limited number of attorneys, the Program has been forced to stop its practice of opening investigations of all complaints. Currently only about 20% of the new complaints can be investigated. This accounts for the substantial reduction of investigations initiated from 1993 to 1994.

In 1994, the Program projects an increase in the number of complaints, partly due to increased visibility of the enforcement effort through litigation. The Program will continue to initiate investigations of approximately 20% of the complaints received. The ADA authorizes the Attorney General to bring civil actions against entities covered by its public accommodations provisions in pattern or practice cases, or cases of general public importance. Given the large number of entities covered (approximately 3.9 million enterprises), and the fact that most of these entities are being subjected to disability nondiscrimination requirements for the first time, the potential for gainful lawsuits is immense. The Program will select litigation opportunities designed to address highly significant issues, many of which will also be highly complex and hence resource intensive.

In addition, Title II of the ADA provides authority for the Department to initiate lawsuits against state and local governments that have been referred from Federal agencies in those instances where voluntary resolution of complaints of discrimination by entities of State and local governments could not be achieved. Referrals will be evaluated and selected on a case-by-case basis, determined by merit for successful and gainful litigation potential. The Program is currently preparing two referrals for litigation in early 1994.

The resources requested will also support a new program (beginning in December 1993) of compliance reviews targeting widespread across-industry practices and the critical issue of compliance with the ADA's new construction and alterations requirements. The Program would conduct 60 reviews of new construction and alterations plans on its own initiative rather than in response to complaints. This approach would give the Program, for the first time, an active presence in the construction and alteration of new buildings. This is an important ADA initiative that is crucial to ensuring the accessibility of the built environment in this country.

The technical assistance program expanded its information and publications dissemination efforts in 1993 by completing several direct mailings of ADA information in addition to continuing its on-going distribution of ADA-related publications. Information about the ADA was mailed to 15,000 architects and contractors with active projects, 9,000 public libraries, 500 AIDS service providers, and 5.9 million businesses. The Program increased the number of grants awarded to develop ADA information that is tailored for the needs of targeted audiences. It also continued operation of its ADA telephone information line, which receives 2,000 to 3,000 calls per week from the public, and its speakers' bureau, which provides speakers on discrete ADA topics. In addition, the Program expanded its role as lead coordinator of the ADA government-wide technical assistance effort.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Public access	44	47	$8,965	65	58	$13,258	21	11	$4,293

The Program is being required to absorb decreases totalling $248,000. Of this amount, one position, one workyear and $140,000 plus $70,000 to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $38,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase. These decreases are offset by an increase request of 22 positions, 12 workyears and $4,541,000 for a net program increase of $4,293,000, 21 positions and 11 workyears.

Litigation, Title III Complaints and Compliance Reviews, 17 positions, nine FTE workyears and $2,069,000.

The Program is seeking ten attorneys, one architect, two paralegals and four secretaries and $1,069,000 to meet its reactive, complaint-driven workload demands, conduct its litigation program and continue the compliance review program. The remaining $1 million will be used for contractual services of an architectural firm to perform services for the compliance review program.

At this funding level, the Program estimates that it could investigate one of every five new complaints and resolve 50% more complaints than in 1994. Even at this funding level, the Program will be unable to initiate investigations of all the meritorious complaints it receives. The Program will be able to take on more Title II cases--to pursue compliance reviews and to litigate as appropriate, and to bring "bigger" cases with more impact on overall compliance with the ADA.

In addition, $1 million is requested for services provided through a contract with an architectural firm to support and expand the compliance review program begun in 1994. This level of funding would allow the program to conduct 50 expedited plan reviews and 150 other plan reviews. These compliance reviews would be divided equally among barrier removal, new construction, and alteration reviews. The program could also conduct 250 site visits and provide technical assistance in 85 matters through the contractor, while placing a minimal burden on attorney staff. This approach would give the Program an active presence in the construction and alteration of new buildings, an important ADA initiative that is crucial to ensuring the accessibility of the built environment in this country.

Technical Assistance, three positions, two FTE workyears and $2,267,000.

In 1994 the Program requested but did not receive an enhancement for its technical assistance efforts which are mandated by Section 506 of the ADA. The Program argued that these additional resources would be necessary to have an effective technical assistance program to educate the public, promote voluntary compliance, reduce the number of complaints and, ultimately, reduce the amount of litigation necessary to enforce the law.

Recent polls and surveys by Lou Harris, Gallup and the General Accounting Office report that the percentage of business owners and managers who are unfamiliar with basic provisions of the ADA range from 47 to 69 percent. The GAO study also indicates widespread confusion about what

constitutes compliance with the ADA's requirements. These measures confirm the Program's view that technical assistance needs to be enhanced both in the number of people reached with information and in the specificity of the information provided.

The program notes that the public now seeks and expects more sophisticated ADA guidance than was the case two or three years ago. Also, the Program's legal staff is less available to participate or assist in technical assistance activities than in previous years because of the increasing workload related to investigations and litigation.

For these reasons, the Program is requesting an enhancement of $267,000 to support three professional-level ADA specialist positions and $2,000,000 for technical assistance activities. These resources will permit the Program to provide for a fifty percent increase in the number of ADA technical assistance grants which target information to specific audiences and to increase the number of persons reached through direct dissemination of ADA information and publications. These enhancements will help covered entities to understand the ADA and to voluntarily take the steps needed to comply with the law.

Certification, two positions, one FTE workyear and $205,000.

The Program acts upon requests from State and local governments to certify that the accessibility requirements of their State or local buildings codes meet or exceed the requirements of the ADA. In order to make a preliminary determination, the Program reviews each submitted code on an element-by-element basis and compares it to the requirements established by the Department's regulation implementing Title III of the ADA. When a preliminary determination to certify is made, the Program provides public notice, receives public comments, and conducts public hearings on the proposed certification. Following the public comment period and the hearing on the submission, a final determination is issued. The Program also provides essential technical assistance to State and local governments that are amending their building codes to be consistent with the ADA and to private sector organizations that develop the model accessibility codes that form the basis of many State and local codes. This technical assistance results in submissions that are much closer to being certifiable, reducing the need for states to repeatedly submit, and the Program to repeatedly review codes.

The Program is seeking one attorney and one architect. This increase will enable the Program to issue a final determination on six of the projected 15 requests received from State or local governments (doubling the number responded to in 1994), and to double its technical assistance to governmental entities and to the model code organizations.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Office of special counsel.....	31	15	$2,022	31	32	$4,297	56	45	$9,239	25	13	$4,942

The inclusion of this activity in the Civil Rights Division's 1995 Budget request is consistent with a 1994 reorganization plan currently under review.

LONG-RANGE GOAL: To reduce and deter national origin and citizenship status discrimination.

MAJOR OBJECTIVES:

To remedy discrimination based on national origin or citizenship status under the Immigration Reform and Control Act of 1986.

To investigate charges of discrimination and to undertake independent investigations where violations are likely to have occurred.

To initiate and file complaints with administrative law judges in appropriate cases.

To undertake public education initiatives intended to inform employers, potential victims, and the public at large of their rights and responsibilities under Section 102.

BASE PROGRAM DESCRIPTION: Section 102 of the Immigration Reform and Control Reform Act of 1986 (IRCA) makes it an "unfair immigration-related practice" to discriminate in hiring, recruiting, discharging, or referring an individual for a fee, because of such individual's national origin, or in the case of a protected individual, because of that individual's citizenship status. The Act exempts from these prohibitions: (a) employers of three or fewer employees, (b) national origin claims which are enforceable under Title VII of the 1964 Civil Rights Act, 42 U.S.C. 2000e, and (c) employment actions based on citizenship status where the employer must discriminate based on citizenship in order to comply with requirements imposed by statutes, regulations, executive orders, government contracts, or where the Attorney General determines citizenship status is essential for an employer to do business with a federal, state or local government agency or department. In order to enforce the prohibitions in the Act, the position of "Special Counsel for Immigration-Related Unfair Employment Practices" was created in the Department.

The Special Counsel receives and investigates charges of employment discrimination filed by private individuals or those filing on their behalf, and determines whether the charges may be settled or warrant filing an administrative complaint. The Special Counsel may also, on his/her own initiative, conduct independent investigations of Section 102 violations, including possible pattern and practice violations. When the Special Counsel determines that such action is justified, he/she may file a complaint with an administrative law judge seeking a cease and desist order and, where appropriate, back pay, civil monetary penalties, or both. Once the administrative law judge finds a violation and orders relief, the Special Counsel may file an action in federal court to enforce the order. Where the Special Counsel does not file an administrative action, the Act provides the individual the right to file his/her own action before an administrative law judge.

The Program coordinates with officials of the Equal Employment Opportunity Commission (EEOC), the Immigration and Naturalization Service (INS), the Department of Labor, and other federal and state agencies, as well as community-based organizations to ensure uniform and effective enforcement of the antidiscrimination provision of the nation's immigration law. The Program provides legislative counsel to other programs within the Department and to other federal agencies.

The Program promotes awareness of the antidiscrimination provisions of the Act through public outreach efforts, including media advertising, training, publications, and participation in conferences and cooperative activities involving public and private groups. The 1990 Immigration Act extended to the Special Counsel specific statutory authority for the development of a comprehensive nationwide public education campaign.

ACCOMPLISHMENTS AND WORKLOAD: The accomplishments of the Office of Special Counsel are displayed in the following table and the concluding narrative.

	1992	1993	Estimates 1994	Estimates 1995
Charges filed with OSC	781	628	750	850
Independent investigations initiated	79	29	25	113
ALJ complaints filed	13	21	20	30
Formal settlement--				
of charges	74	65	72	65
of independent investigations	39	9	10	45

Over the past two years, the number of pattern and practice investigations increased markedly, in part the result of Immigration Act amendments. These cases are more complex and require significantly more resources to investigate and litigate. Aspects of litigation and investigation, particularly involving independent investigations, as well as charges resulting from public education efforts, are expected to decrease in 1994 as the result of substantially reduced resources.

In 1993, the Program received 628 charges of discrimination and initiated 29 independent investigations. During this period, the Program filed 21 complaints, four containing pattern and practice allegations, and negotiated 74 formal settlements of charges and ten settlements of independent investigations. Many other investigations were resolved through voluntary changes in personnel policies and practices or the demonstration of legitimate justification for a U.S. citizen-only policy. In 1993 the Program won over $536,000 in backpay, and collected $249,000 in civil penalties.

The Program maintains liaison with nearly a dozen federal agencies and has continued aggressive outreach to inform public interest and community groups, as well as INS offices and legal aid centers, of the antidiscrimination requirements under Section 102. The Program has participated in numerous seminars and conferences before public interest, immigration rights, and employer groups across the country. Television and radio announcements have been aired nationwide, materials distributed in many languages, an extensive grant program conducted, and a task force of federal agencies under the leadership of the Special Counsel has contributed to a coordinated federal strategy for educating the public about IRCA's antidiscrimination provision.

Some of our cases have affected entire industries engendering widespread reforms. This is particularly true of the airline and defense industries. Through far-reaching settlements with the OSC, seven major airlines have abandoned citizenship status restrictive hiring practices. Similarly, defense contractors have agreed to drop company-wide citizens-only policies due to the Office of Special Counsel's intervention. As a result of these cases, tens of thousands of jobs in the defense and airlines industries are now open to all authorized workers. This Program's efforts in these areas has helped to unify federal contract policy, and has resulted in major revisions of the import/export policies of the Department of Commerce and the Department of State's ITAR regulations.

With respect to charge referral, in addition to a memorandum of understanding with the EEOC, the Office of Special Counsel has signed agreements with 28 state and local civil rights enforcement agencies, whereby they would serve as agents of the government for purposes of receiving charges of immigration-related unfair employment practices. This ensures prompt and accurate referral of discrimination claims, and promotes awareness of IRCA's antidiscrimination requirements.

In light of evidence of extensive discriminatory noncompliance, the Office of Special Counsel has expanded its public education activities over the past three years -- including the production and distribution in English and in Spanish of a non-technical illustrated booklet on the antidiscrimination provision. In addition, the Program distributes a training film on videotape for use in educating public officials and private employers on IRCA's antidiscrimination requirements. As the only federal agency systematically educating potential victims of discrimination of their rights under IRCA, the Office of Special Counsel has a special obligation to establish public understanding that compliance with the employer sanctions provision must not result in discrimination against authorized workers.

Acknowledging the need for more extensive public education, Congress authorized commencing in 1992 up to $3,000,000 a year from the INS legalization account for use in funding community-based grant programs. By far the most successful and wide-ranging public education initiative undertaken by the Office of Special Counsel, the community-based grants program has resulted in the production of a wealth of materials directed to affected workers and employers, by agencies adept at reaching their constituencies. In 1993, the Office of Special Counsel awarded over $3 million to 25 organizations in ten states and the District of Columbia for the development and execution of training programs, and the design, production, and distribution of educational material in a variety of languages, at the local, state, regional, and national levels. In 1995, with the loss of revenues from the INS legalization account, requested resources will permit continuation of this effort and the substantial development of independent investigations, an integral component of effective enforcement.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Office of special counsel	31	32	$4,297	56	45	$9,239	25	13	$4,942

The Program is being required to absorb decreases totalling $58,000. Of this amount, $35,000 is required to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $23,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase. These decreases are offset by an increase request of 25 positions, 13 workyears and $5,000,000 for a net program increase of 25 positions, 13 workyears and $4,942,000.

The requested resources includes: $3,000,000 to restore the community-based public education grant program previously funded through the INS legalization account; this Program awards grants to non-profit community-based organizations for the development and implementation of public education programs designed to address the unique needs of communities with high alien and minority language populations; and, $2,000,000 for 25 positions, 13 FTE associated with the development and expansion of independent investigations -- our most effective proactive enforcement tool -- and the enhancement of regional and nationwide public education initiatives through private contract and the development of close cooperative relationships with state and local groups, public and private.

In addition to the development of independent investigations, these resources will further Section 102 enforcement through the establishment of local antidiscrimination working groups comprised of community representatives in the public and private sectors; the development and maintenance of cooperative working relationships with local and regional federal agency offices, including EEOC, the Department of Labor, INS, the Office of the U.S. Attorney, the Small Business Administration, and the Community Relations Service; liaison with state and local fair employment offices, resulting in the development of state and local educational initiatives; the maintenance of effective on-going outreach to local employers and employer organizations, including chambers of commerce; and more effective continuation of technical assistance to OSC grantees.

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration.....	58	72	$7,846	58	72	$8,600	73	87	$8,487	11	11	($113)

This budget activity includes resources for Executive Direction and Control (which includes the Office of the Assistant Attorney General and the Administrative Management Section) and Redress Administration.

Executive Direction and Control

LONG-RANGE GOAL: To efficiently and effectively coordinate the enforcement of federal civil rights laws; provide information to the public (subject to the provisions of the Freedom of Information Act and the Privacy Act); and, provide administrative support for federal civil rights enforcement activities.

MAJOR OBJECTIVES:

To coordinate the Division's enforcement activities with other components of the Department and other enforcement agencies.

To participate in Departmental, Executive Branch and government-wide efforts to clarify or strengthen jurisdiction and authority, and to establish or improve policies governing litigation, administrative enforcement and program operation.

To evaluate policies, procedures and systems; anticipate the workload, as well as resource and time expenditures of the programs; and, to develop and implement plans for changes which would render them more efficient, effective and responsive to constituent concerns.

To establish and maintain relationships with public interest groups, members of Congress and other constituent representatives.

To answer Freedom of Information Act (FOIA) requests within 10 days and Privacy Act (PA) requests within 20 days; minimize the number of appeals from denials of records requests by adhering to a standard of maximum disclosure permissible under controlling law; and, assist the Civil Division and U.S. Attorneys in defending the Department in litigation arising from denials of FOIA requests.

To evaluate and incorporate new computing technology and assess how it can be incorporated to automate and facilitate the activities of the Civil Rights Division. This new technology includes office automation, case management and imaging.

To review, analyze and respond to letters, memoranda and other communications directed to the Division by the White House, Congress, federal agencies, private corporations and citizens; and issue Criminal Non-Prosecution Notices to government and private sector organizations, and to citizens as appropriate.

To provide general administrative support necessary to enable Division personnel to enforce federal civil rights laws, including: budget formulation and execution; financial and accounting services; personnel services and training; procurement; mail distribution; space management; and, supply, equipment and document reproduction services.

To deliver demographic and geographic data from the Census Bureau and other federal agencies to the end user in an easy-to-use format. A Geographic Information System is being used to deliver this service.

To continue enhancement of Litigation Support Services to provide technical, analytical and administrative resources in an efficient and effective manner to the various Division components.

BASE PROGRAM DESCRIPTION: This budget activity includes resources for executive and administrative direction and control of the Civil Rights Division as well as its responsibilities as a result of the Civil Liberties Act of 1988.

The Assistant Attorney General personally approves case filings, interventions and amicus participations; major investigative undertakings, enforcement motions and consent decrees; novel legal positions; and, closing of investigations of death cases. He also represents the Attorney General on interagency councils concerned with civil rights issues. In that connection, he serves as chair of the Interagency Coordinating Council and as a member of the Architectural and Transportation Barriers Compliance Board, both of which were established by the Rehabilitation Act of 1973, as amended. Supervisory responsibility over matters involving investigative and litigative strategy; relations with other components of the Department, other agencies, the Congress and some public interest groups; preclearance of changes in localities' voting practices and procedures; long-range program planning and evaluation; and, operation of the FOIA/PA unit is divided among the Deputy Assistant Attorneys General for action or oversight. Matters involving finance, personnel, and support services are assigned to the Executive Officer who conducts them through a centralized operation which is more efficient and cost effective yet provides greater management control.

The Division is committed to the effective use of Automated Data Processing (ADP) to develop and implement systems to increase productivity. Management and other key personnel have completed specially designed computer courses and are playing integral roles in developing litigation systems within their programs. Through the use of a centralized shared information system--AMICUS--and decentralized personal computers for task specific requirements, programs are able to address their substantive and administrative requirements promptly and appropriately, saving time and money. Increased litigation support is obligatory to compete with private counsel using the most efficient technology available.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments relating to the Division's office automation initiative, invoices processed for payment, and correspondence responded to are presented below:

	1992	1993	Estimates 1994	Estimates 1995
Litigation Support Projects	200	200	225	225
Litigation Support Reports	1,600	1,725	1,930	1,930
AMICUS Microcomputer Users	474	580	600	600
Requests for Assistance	1,200	1,350	1,450	1,450
Invoices Processed for Payment	4,514	5,100	5,400	5,900
Mail Inquiry Responses	59,458	60,500	65,000	65,000

The Program is experiencing its most productive year in delivering cost-efficient ADP systems to Division users and managers. Major accomplishments include:

Continued enhancement of the Geographic Information System (GIS) to aid in the processing of redistricting submissions from the 17 states covered by the Voting Rights Act. The GIS was designed to provide automated support for very time consuming tasks which were formerly processed manually. The GIS is a tool which provides the Voting Section with much more power, flexibility and ease of use in their enforcement of the Voting Rights Act. In addition, efforts have begun to add data from the Federal Reserve Board to the existing GIS to provide support to the Housing and Civil Enforcement Program's mortgage redlining initiative. Expansion of the system is under review with a view towards delivering increased services.

Continued support and refinement of a Japanese-American Redress Verification Information System (JARVIS), a major database management system for use by the Office of Redress Administration in support of the Office of Redress Administration. The system is used in verification of eligibility for payment, tracking correspondence, generating form letters and making payments to eligible individuals.

Installation, training, maintenance and user support of the AMICUS office automation system. This system is comprised of many minicomputers networked together providing electronic mail, word processing, spreadsheet, database, and graphics capabilities and services to more than 600 users. This system also provides access to external research and legal databases such as LEXIS and NEXIS.

Continued support and refinement of the Submission Tracking and Processing System (STAPS), a major database management system used by the Voting Program to carry out its substantial information processing and information storage responsibilities in the review of voting changes in a more efficient, orderly and effective manner.

Continued refinement and enhancement of the Case Management System, another major database management system which is used by all the litigating programs in the Division in support of case tracking activities.

Modification of the Case Management System to include case tracking and processing and reporting capabilities for the Public Access and Coordination and Review programs. This system will assist these programs to enforce the prohibition against discrimination based on disabilities in both state and local government and public accommodations.

Delivery of many smaller systems required by the various programs to provide management reports, text search and retrieval, document control, inventory control, case tracking, data conversion, etc.

The FOI/PA Branch has reduced the total pending FOI/PA requests from 289 pending requests on October 1, 1990 to the current pending level of 139. By 1995, the FOI/PA Branch hopes to maintain the current pending level and focus its production efforts on reducing the average turnaround time significantly. The FOIA statute mandates a 10 day response time and the Civil Rights Division seeks to approach a turnaround time that will more closely reflect the intent of the statute than the current average turnaround time of several months. The annual amount

of incoming requests has been significantly higher (630) than the 550 average. Attempting to avoid any increase in pending requests in the context of this substantial increase in the incoming number (an increase that correlates with the expansion of Civil Rights Division functions) will remain as the first priority of the FOI/PA Branch.

Redress Administration

LONG-RANGE GOAL: To provide payment to all eligible individuals who were evacuated, relocated or interned in the United States during World War II, as set forth in the Civil Liberties Act of 1988.

MAJOR OBJECTIVES:

To identify and locate eligible individuals as defined by the Act without requiring application.

To implement and refine the process for verification of eligibility.

To notify all applicable individuals of eligibility.

To initiate payment to eligibles from the Civil Liberties Public Education Fund.

BASE PROGRAM DESCRIPTION: The Civil Liberties Act of 1988 (P.L. 100-383) was signed by President Reagan on August 10, 1988. Under the Act, the Attorney General was assigned responsibility for Section 105, which provided that payments of $20,000 each be made to eligible individuals of Japanese ancestry who were evacuated, relocated, or interned by the United States Government during World War II. To carry out these responsibilities, the Office of Redress Administration (ORA) was created within the Civil Rights Division.

ACCOMPLISHMENTS:

As evidence of ORA's commitment to pay eligible individuals as quickly as possible, nearly 90 percent of the amount appropriated for 1991 was disbursed within the first 45 days of the year. The total amount disbursed reached nearly 98 percent within the first six months. Payments during the first year were made to eligible individuals (or their heirs) born before July 1, 1920.

In 1992, over 91 percent of the $500 million available was disbursed to eligible individuals born before June 1, 1928 within the first five days of the period. The total amount disbursed reached nearly 100 percent by mid-year. ORA has received and processed 24,994 cases for payment in 1992 to eligible individuals born before July 1, 1928.

In 1993, almost 99 percent of the $500 million available was disbursed to eligible individuals within the first six days of that year, representing 24,998 cases.

Thus far in 1994, ORA has paid 4,157 cases representing 83 percent of the $100 million available.

ORA's success with this unique and unprecedented program has been due, in large part, to an aggressive outreach program in the Japanese-American community. ORA continues to process about 40 calls per week on its helpline, and receives nearly 100 pieces of correspondence per month, in which individuals inquire about their eligibility for redress.

In 1991, ORA began a series of workshops within the Japanese-American community which allow individuals, in many cases, to receive on-site verification of their eligibility. In 1991, approximately 50 workshops were held; in 1992, 30 workshops were held; and, in 1993, four workshops were held.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration--									
Executive direction and control	62	76	$8,600	73	87	$8,487	11	11	($113)

The Program is seeking an increase of 11 positions and FTE workyears to be funded from existing Division resources, for the replacement of existing government contractors with fulltime permanent government employees. This request is consistent with current initiatives to realize savings through A-76 investments. A review of services performed by independent contractors resulted in a finding that some of these services can be performed at a lesser cost if government employees are utilized. In fact, the Division will realize a small savings of approximately $117,000 per year. These savings can then be applied to other Division priorities.

The Program is being required to absorb decreases totalling $113,000. Of this amount, $63,000 is required to reduce administrative expenses to assist in controlling the Federal deficit. The remaining $50,000 is the Program's portion of the reduction necessary to meet increased payroll costs as a result of the 1994 Locality Pay increase.

Civil Rights Division
Salaries and Expenses
Priority Ranking
Fiscal Year 1995

Base Program

Program	Ranking
Civil Rights Prosecution	1
Housing & Civil Enforcement	2
Public Access	3
Voting	4
Educational Opportunities	5
Office of Special Counsel	6
Employment Litigation	7
Coordination and Review	8
Special Litigation	9
Federal Appellate Activity	10
Management and Administration	11

Program Increases

Program	Enhancement	Ranking
Civil Rights Prosecution	Police Brutality/Hate Crime	1
Public Access	Americans w/Disabilities Act Reviews/Technical Assistance/ Code Certification	2
Voting	Voting Rights Act of 1992/ National Voter Registration Act	3
Office of Special Counsel	Restoration of community-based public education program; and Development and expansion of independent investigations and nationwide public education initiatives.	4
Housing & Civil Enforcement	Mortgage Lending/Fair Housing Testing/Property Insurance	5
Employment Litigation	Title I of the Americans with Disabilities Act	6
Management and Administration	A-76 investment: hiring of government employees with available funds to perform work currently done by independent contractors.	7

Civil Rights Division

Salaries and expenses

Detail of Permanent Positions by Category

Fiscal Years 1993 - 1995

Category	1993 Total Author-ized	1993 Total Reim-bursable	1994 Total Author-ized	1994 Total Reim-bursable	Permanent Position Reduction	1995 Change	1995 Total Author-ized	1995 Total Reim-bursable
Attorneys (905)	227	5	246	5	-7	20	273	5
Paralegal Specialists (950)	73	...	81	...	...	7	92	...
Other Legal and Kindred (900-998)	9	...	9	...	...	...	9	...
Social Sciences, Economics and Kindred (100-199)	23	...	23	...	...	...	23	...
General Admin. Clerical and Office Services (300-399)	173	1	156	1	...	37	208	1
Accounting and Budget (500-509)	4	...	4	...	...	...	4	...
Information and Arts Group (1000-1099)	1	...	1	...	...	...	1	...
Mathematics and Statistics Group (1500-1599)	2	...	2	...	...	...	2	...
General Investigating (1801-1810)	4	...	4	...	...	8	14	...
Total	516	6	526	6	-7	47	626	6
Washington	516	6	526	6	-7	47	626	6

Civil Rights Division
Salaries and expenses, General Legal Activities
Financial Analysis - Program Increases
(Dollars in thousands)

Item	Civil Rights Prosecution		Voting		Employment Litigation		Housing and Civil Enforcement		Public Access		Office of Special Counsel		Management and Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																
GS/GM-15	2	$136	...	...	1	$68	1	$68	2	$136	...	...	...	...	6	$408
GS/GM-14	2	116	1	$58	...	...	...	...	3	173	...	...	...	...	6	347
GS-13	...	...	1	49	...	...	...	...	5	244	...	...	2	$98	8	391
GS-12	...	...	1	41	...	...	...	...	5	206	19	$777	...	...	25	1,024
GS-11	...	...	...	...	...	...	...	...	2	69	...	...	3	104	5	173
GS-9	...	...	4	113	...	...	...	...	1	28	4	114	3	85	12	340
GS-6	...	...	1	21	...	...	...	...	2	42	2	42	...	...	5	105
GS-5	...	...	...	...	...	...	...	...	2	37	...	...	1	19	3	56
GS-4	...	...	...	...	...	...	...	...	...	...	...	...	2	34	2	34
Locality pay	...	11	...	12	...	3	...	3	...	40	...	39	...	14	0	122
Total positions and annual rate	4	263	8	294	1	71	1	71	22	975	25	972	11	354	72	3,000
Lapse (-)	-2	-128	-4	-138	...	...	...	...	-10	-475	-12	-474	...	...	-28	-1,215
Total workyears and personnel compensation	2	135	4	156	1	71	1	71	12	500	13	498	11	354	44	1,785
Other personnel compensation	...	...	...	5	...	...	...	...	...	8	...	22	...	...	...	35
Personnel benefits	...	48	...	46	...	21	...	21	...	161	...	146	...	102	...	545
Travel and transportation of persons	...	24	...	27	...	8	...	8	...	72	...	173	...	...	...	312
GSA rent	...	20	...	39	...	9	...	9	...	110	...	110	...	...	...	257
Other rent, communications & utilities	...	12	...	20	...	4	...	4	...	50	...	50	...	...	...	140
Printing and reproduction	...	5	...	11	...	2	...	2	...	24	...	25	...	...	...	69
Other services	...	67	...	113	...	14	...	14	...	3,335	...	3,654	...	-456	...	6,751
Supplies and materials	...	5	...	9	...	2	...	2	...	22	...	25	...	...	...	65
Equipment	...	52	...	94	...	1	...	1	...	259	...	287	...	...	...	694
Total program workyears & obligations changes requested, 1995	2	368	4	520	1	132	1	132	12	4,541	13	5,000	11	0	44	10,693

Civil Rights Division
Salaries and expenses, General Legal Activities
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Federal Appellate		Civil Rights Prosecution		Special Litigation		Voting		Employment Litigation		Coordination and Review		Housing and Civil Enforcement		Educational Opportunities		Public Access		Office of Special Counsel		Management and Administration		Total	
	Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions		Administrative Reductions	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																								
GS/GM-15	...	...	(1)	(668)	(1)	(668)	(1)	(668)	(1)	(668)	...	...	(1)	(668)	(1)	(668)	(1)	(668)	...	...	...	...	(7)	(4676)
Locality pay	...	(21)	...	(31)	...	(24)	...	(43)	...	(43)	...	(25)	...	(49)	...	(28)	...	(31)	...	...	...	(43)	...	(330)
Total positions and annual rate	...	(21)	(1)	(99)	(1)	(92)	(1)	(111)	(1)	(111)	...	(25)	(1)	(117)	(1)	(88)	(1)	(99)	...	...	...	(43)	(7)	(5006)
Lapse (-)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	(1)	(21)	(1)	(99)	(1)	(92)	(1)	(111)	(1)	(111)	...	(25)	(1)	(117)	(1)	(88)	(1)	(99)	...	...	...	(43)	(8)	(5006)
Personnel benefits	...	(4)	...	(26)	...	(24)	...	(28)	...	(28)	...	(5)	...	(32)	...	(23)	...	(27)	...	...	...	(7)	...	(204)
Travel and transportation of persons		...	...	(6)	...	(6)	...	(6)	...	(6)	...	...	...	(6)	...	(6)	...	(6)	...	...	...	...	...	(42)
GSA rent		...	...	(7)	...	(7)	...	(7)	...	(7)	...	...	...	(7)	...	(7)	...	(7)	...	...	...	...	...	(49)
Other rent, communications & utilities		...	...	(3)	...	(3)	...	(3)	...	(3)	...	...	...	(3)	...	(3)	...	(3)	...	...	...	...	...	(21)
Printing and reproduction		...	...	(1)	...	(1)	...	(1)	...	(1)	...	...	...	(1)	...	(1)	...	(1)	...	...	...	...	...	(7)
Other services		(21)	...	(67)	...	(59)	...	(94)	...	(78)	...	(26)	...	(98)	...	(53)	...	(102)	...	(58)	...	(63)	...	(719)
Supplies and materials		...	...	(2)	...	(1)	...	(2)	...	(1)	...	...	...	(2)	...	(1)	...	(2)	...	...	...	...	...	(11)
Equipment		...	...	(1)	...	(1)	...	(1)	...	(1)	...	...	...	(1)	...	(1)	...	(1)	...	...	...	...	...	(7)
Total program workyears & obligations changes requested, 1995	(1)	(46)	(1)	(212)	(1)	(194)	(1)	(253)	(1)	(236)	...	(56)	(1)	(267)	(1)	(183)	(1)	(248)	...	(58)	...	(113)	(8)	(1,866)

Note: The total Locality Pay absorption cost to the Civil Rights Division is $417,000. Of this amount, salary costs were reduced by $330,000 and benfit costs reduced by $64,000. The reduction balance of $23,000 was applied to other services for the Office of Special Counsel.

Civil Rights Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual		1994 Estimate		1995 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level IV, $115,700	1		1		1		...	
Executive Level V, $109,200	...		...		1		1	
ES-5, $111,000	1		1		1		...	
ES-4, $107,[illegible]	10		10		10		...	
ES-3, $101,668	1		1		1		...	
ES-2, $97,492	1		1		1		...	
ES-1, $92,900	1		1		1		...	
GS/GM-15, $66,610-86,592	137		136		142		6	
GS/GM-14, $56,627-73,614	69		71		80		9	
GS/GM-13, $47,928-62,253	51		54		63		9	
GS-12, $40,299-52,385	41		47		75		28	
GS-11, $33,623-43,712	66		66		72		6	
GS-10, $30,603-39,787	5		5		6		1	
GS-9, $27,798-36,124	27		29		46		17	
GS-8, $25,168-32,718	26		25		26		1	
GS-7, $22,717-29,530	60		62		69		7	
GS-6, $20,442-26,574	9		8		14		6	
GS-5, $18,348-23,847	6		5		11		6	
GS-4, $16,392-21,311	2		3		6		3	
GS-3, $14,683-18,998	2		...		...		...	
Locality pay	...	...	...	$1,273	...	$1,273	...	...
1995 pay increase	...	...	...	...	...	469	...	$469
Total, appropriated positions	516	$25,468	526	$28,482	626	$32,995	100	$4,513
Pay above stated annual rate	...	58	...	107	...	(187)	...	...
Lapses	-66	(2,634)	-32	(1,600)	-51	(1,930)	-26	(330)
Savings due to lower pay scales for part of year	...	...	...	(316)	...	(117)	...	201
Net full-time permanent	450	22,924	494	26,551	575	30,641	81	4,250
Other than permanent:								
Temporary employment	...	...	...	...	...	...	...	...
Other part-time and intermittent employment	47	2,310	35	2,164	35	2,218	...	54
Other personnel compensation:								
Overtime	3	276	3	260	4	317	...	57
Administratively uncontrollable overtime	...	...	...	...	...	...	...	...
Other compensation	...	51	...	53	...	64	...	11
Special personal services payments	...	...	...	...	...	...	...	...
Total, workyears and personnel compensation	500	25,563	532	29,008	614	33,460	81	4,372
Average SES Salary		($[illegible],473)		($110,[illegible])		($110,[illegible])		
Average GS/GM Salary		($45,510)		($54,552)		($58,548)		
Average GS/GM Grade		(11.8)		(11.9)		(11.9)		

Civil Rights Division

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1993 Actual Workyears	1993 Actual Amount	1994 Estimate Workyears	1994 Estimate Amount	1995 Estimate Workyears	1995 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	450	$22,924	494	$26,591	575	$30,841	81	$4,250
11.3 Other than full-time permanent	47	2,310	35	2,164	35	2,218	...	54
11.5 Other personnel compensation	3	329	3	333	4	401	...	68
11.8 Special personal services payments	...	0	...	0	...	0	...	...
Total	500	25,563	532	29,088	614	33,460	82	4,372
Reimbursable workyears:								
Full-time permanent	(6)		(6)		(6)		(...)	
Other objects:								
12 Personnel benefits		4,765		5,716		6,912		1,196
13 Benefits for former personnel		28		24		24		...
21 Travel and transportation of persons		2,233		2,421		2,957		536
22 Transportation of things		197		160		195		35
23.1 GSA rent		4,496		5,299		6,701		1,402
23.2 Rental payments to others		75		147		147		...
23.3 Communications, utilities and miscellaneous charges		1,586		1,456		1,973		517
24 Printing and reproduction		392		1,126		1,273		147
25 Other services		12,716		8,996		16,581		7,585
26 Supplies and materials		532		582		725		143
31 Equipment		871		543		1,228		685
42 Insurance Claims & Indemn		3		9		9		...
Total obligations	500	53,857	532	55,567	614	72,185	82	16,618
Outlays		46,856		48,343		62,801		14,458

NOTE: The 1994 total does not agree with amounts presented in the galleys. The increase of $1,031,000 reflects the transfer from the FEWs appropriation for the Housing and Civil Enforcement initiatives.

CIVIL RIGHTS DIVISION
REIMBURSABLE RESOURCES
SUMMARY OF REQUIREMENTS
(Dollars in thousands)

Collections by Sources:

Complaint Adjudication

Source of Reimbursement:

	1992 Actual			1993 Estimate			1994 Request			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Bureau of Prisons			$335			$116			$302			186
Immigration and Naturalization Service			63			191			145			(46)
Federal Bureau of Investigation			52			66			79			13
Drug Enforcement Administration			15			9			29			20
US Attorneys			28			98			54			(44)
US Marshal Service			10			50			31			(19)
Community Relations Service			0			10			4			(6)
US Trustees			0			15			6			(9)
Exec. Office for Immigration Rev.			0			2			0			(2)
General Administration:												
Justice Management Division			0			18			16			(2)
General Legal Activities:												
Tax Division			0			0			0			0
Civil Division			0			0			0			0
Environment			0			6			2			(4)
US Parole Commission			0			0			0			0
Total	6 *	6 *	503	6 *	6 *	581	6 *	6 *	668	0	0	87

Goods or Services Provided:

To support salaries and administrative costs associated with the processing of Equal Employment Opportunity complaints by the Civil Rights Division's Complaint Adjudication Office.

* Positions and workyears cannot be isolated to individual activities.

Coordination and Review

Source of Reimbursement:

	1992 Actual			1993 Estimate			1994 Request			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Bureau of Prisons/NIC	0	0	$175	0	0	$125	0	0	$0	0	0	($125)
Total	0	0	175	0	0	125	0	0	0	0	0	(125)

Goods or Services Provided:

To provide assistance in the processing of discrimination complaints. To provide personnel support and printed material on the Office of Americans with Disabilities Act (ADA).

CIVIL RIGHTS DIVISION
REIMBURSABLE RESOURCES
SUMMARY OF REQUIREMENTS
(Dollars in thousands)
(continued)

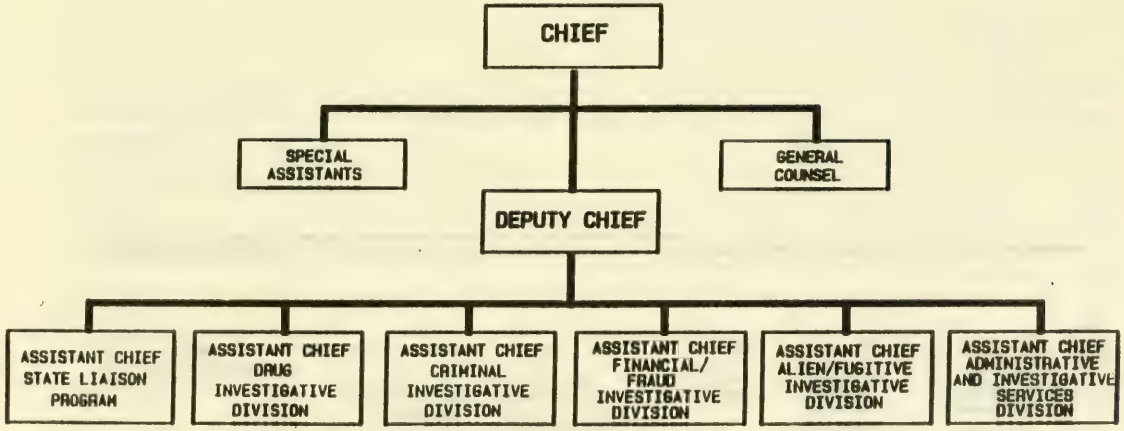
Obligations by Program:

Complaint Adjudication	6	6	$503	6	6	$581	6	6	$668	0	0	$87
Coordination and Review	0	0	175	0	0	125	0	0	0	0	0	($125)
Total	6	6	678	6	6	706	6	6	668	0	0	(38)

Justification of Increase, Complaint Adjudication:

The reimbursements in the Complaint Adjudication Office are funding positions and programmatic costs. The 1994 estimate was based on increased costs associated with higher salary and benefit costs, a modest increase to non-personnel related expenses. The 1994 estimate includes a projection of small, consistent growth.

INTERPOL – U.S. NATIONAL CENTRAL BUREAU



Approved: W Barr Date : 12/9/91
WILLIAM P. BARR
Attorney General

Interpol – U.S. National Central Bureau
Salaries and expenses, General Legal Activities
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriation Action on 1994 Request			Reprogrammings			Adjustment in Workyear Ceiling			1994 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Interpol – U.S. National Central Bureau	64	64	$6,406	...	...	$0	0	0	$0	0	4	...	64	68	$6,406

Adjustment to Workyear Ceiling This ceiling includes persons appointed under the Workyear Trainee Opportunity Program, Federal Cooperative Education Program as well as Summer Aides, Stay-in-School Program, and Junior Fellowship Program.

INTERPOL – U.S. National Central Bureau

Salaries and expenses, General Legal Activities

Summary of Requirements

(Dollars in thousands)

	Perm. Pos.	WY.	Amount
1994 as Enacted	64	64	$6,406
1994 Adjustment in Workyear Ceiling	0	4	0
1994 Appropriation Anticipated	64	68	$6,406
Mandatory Increases:			
1995 Pay Raise	...	...	36
Within – Grade Increase	...	...	43
Annualization of 1994 Positions	...	...	43
Locality Pay	...	...	33
FTS 2000	...	...	6
Interpol Dues	...	...	250
Employee Data and Payroll Service	...	...	1
General Pricing Level Adjustment	...	...	56
Total, Mandatory Increases	0	0	468
Decreases:			
GSA Rent	...	...	(212)
One Less Compensable Day	...	...	(13)
Non – Recurring Workyear Adjustment	0	(2)	0
Total, Decreases	0	0	(225)
1995 Base	64	66	$6,649

Estimates by program	1993 as Enacted			1993 Actual			1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
INTERPOL – U.S. National Central Bureau	78	78	$6,184	66	61	$6,181	64	68	$6,406	64	66	$6,649	63	65	$6,485	(1)	(1)	($164)

Justification of Program and Performance
INTERPOL-U.S. National Central Bureau
Salaries and Expenses: 6INT01

Long-Range Goal

To stem the growth of international crime by providing efficient communications, exchange of information, and coordination of investigations among the member countries of INTERPOL, the INTERPOL General Secretariat (headquarters), and law enforcement agencies within the United States.

Major Objectives

To provide timely responses to requests for information from domestic and foreign law enforcement agencies in accordance with the INTERPOL constitution and Department of Justice regulations and to coordinate investigations on their behalf.

To use the USNCB's network of State liaison offices and to improve delivery of police information to Federal, State, local and foreign jurisdictions.

To represent the United States in the International Criminal Police Organization (INTERPOL).

Base Program Description

The INTERPOL-U.S. National Central Bureau is the United States' representative to the International Criminal Police Organization (INTERPOL). Created in 1923 to promote mutual assistance among the European community, the organization has grown from less than ten members to a world-wide consortium of 174 member countries.

A General Secretariat, currently headquartered in Lyons, France, serves as INTERPOL's administrator. Each country maintains a National Central Bureau (NCB) to act as its INTERPOL liaison. Each NCB operates within the guidelines of its own national laws and the INTERPOL Constitution.

A General Assembly, comprised of delegates from each member country, is INTERPOL's governing authority and convenes annually to formulate policy and initiatives to address

the escalating problem of international crime. Each member pays dues to the organization on a scale established by INTERPOL.

One of the primary responsibilities of the INTERPOL-USNCB is that of maintaining telecommunications channels with a host of domestic law enforcement agencies, the NCBs of the other 174 INTERPOL member countries, and the INTERPOL General Secretariat. Within the United States, communications are maintained with domestic law enforcement agencies through the National Law Enforcement Telecommunications Systems (NLETS), and with INTERPOL member countries through a direct link to the INTERPOL telecommunications network centralized at INTERPOL headquarters. A new state-of-the-art X.400 telecommunications system has recently been implemented within INTERPOL Headquarters and several regional modernization projects are designed to implement rapid and secure telecommunication facilities in developing countries.

As a law enforcement conduit, the INTERPOL-USNCB receives requests for information covering a broad range of criminal offenses including murder, robbery, large-scale narcotics violations, financial fraud, counterfeit investigations, and the location and apprehension of international fugitives, often leading to extradition. Requests for information also relate to criminal history backgrounds, license checks and humanitarian efforts. Foreign and domestic police organizations also use INTERPOL-USNCB resources to trace weapons and locate witnesses. To facilitate cooperation in this hemisphere the United States will host the Interpol American Regional Conference in 1995.

A major program of the USNCB is the U.S./Canadian Interface which provides direct on-line access to Canadian wanted person, stolen vehicle, vehicle registration, drivers license and criminal history files. During 1993, U.S. law enforcement officers made approximately 347,000 queries against the Canadian wanted person and stolen vehicle/property files resulting in over 19,000 "hits". During the same period, U.S. Authorities made over 304,000 queries against Canada's Criminial Name Index (CNI) resulting in over 158,000 "hits". This information is extremely valuable not only from a standpoint of criminal investigations but also for officer safety, since possible wanted person information is provided when an officer requests a license check.

Investigative functions are maintained through the collaborative efforts of 14 participating Federal law enforcement agencies that assign agents to the INTERPOL-USNCB at no cost to the USNCB. This multi-agency participation in the INTERPOL-USNCB program fosters interagency cooperation in addressing law enforcement matters and provides a means of avoiding duplication of programs and initiatives.

Accomplishments and Workload: Accomplishments of the program are presented in the following table:

Item	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
1. Incoming requests				
a. Actual	57,331	55,523	---	---
b. Planned	67,500	58,765	60,000	60,000

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
2. Canadian Interface				
a. Canadian Requests	633,900	649,748	672,489	700,000
b. U.S. Request to Canada	778,856	798,327	826,268	850,700
Total	1,412,756	1,448,075	1,498,757	1,550,700

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
3. Case Closing:				
a. Actual	12,463	7,801	---	---
b. Planned	15,000	9,195	10,200	10,200

Explanation: In 1991 and 1992, the USNCB reviewed and closed over 30,000 old cases. As part of this review "masterfiles" were created to consolidate cases; thus, the dramatic change from 1992 to 1993. In 1994 these "masterfile" cases will be considered as separate cases. Thus, the anticipated increase.

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
4. Case Opening:				
a. Actual	7,782	7,217	---	---
b. Planned	6,000	8,153	12,300	12,300

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
5. Other Actionable Requests:				
a. Actual	6,172	6,238	---	---
b. Planned	6,100	6,200	1,300	1,300

Explanation: The increase in case openings is anticipated based upon a change in the USNCB's case management system as well as an anticipated increase in cases. Requests that were previously considered "Actionable Requests" and placed in a masterfile, will now be given individual case numbers and therefore be counted in the case openings. This will result in a decrease of the actionable requests. The overall total of requests (case openings and actionable requests) would remain the same.

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
6. U.S. Red Notices Issued				
a. Actual	540	574	---	---
b. Planned	98	109	626	626

Explanation: The 1992 and 1993 Red Notices totals were previously submitted based upon calander year totals versus fiscal year totals. The current submission captures U.S. requested/issued Red Notices by fiscal year for the timeframes represented. It is important to note there was an increase in NCB membership from 167 to 174 member countries, which further illustrates the increased use of Red Notices by the United States versus other member countries. Moreover, we will be initiating a new program to increase useage of Red Notices by all United States agencies.

	1995 Base			1995 Estimate			Increase/Decerase		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Interpol-USNCB.....	64	64	6,649	63	65	6,485	(1)	(1)	(164)

Program Changes: Included in this request is a decrease of 1 position, 1 workyear, and $80,000 associated with the Administration's initiative to reduce the Federal work force by 252,000 positions by 1999; an administrative reduction of $51,000 to assist in decreasing the Federal deficit; and a $33,000 reduction associated with the required absorption of locality based pay costs.

U.S. National Central Bureau
Salaries and Expenses
Summary of Decision Unit Resources by Object Class

Object Class		1993 Actual WY	1993 Actual Amount	1994 As Enacted WY	1994 As Enacted Amount	1995 Estimate WY	1995 Estimate Amount	Increase/ Decrease WY	Increase/ Decrease Amount
11	Personnel Compensation	61	$2,402	68	$2,705	65	$2,741	(3)	$36
12	Personnel benefits		487		574		581		7
13	Benefits for former Personnel		2		2		2		0
21	Travel and Transportation of Persons		93		79		80		1
22	Transportation of Things		4		6		6		0
23.1	GSA Rent		780		741		670		(71)
23.2	Rental payments to others		13		15		17		2
23.3	Communications, utilities, and Misc. charges		249		293		304		11
24	Printing and reproduction		4		6		6		0
25	Other Services		483		397		401		4
26	Supplies and materials		102		94		106		12
31	Equipment		117		225		131		(94)
41	Grants, Subsidies, and Contributions		1,445		1,269		1,440		171
	Total Obligations	61	6,181	68	6,406	65	6,485	(3)	79

INTERPOL–U.S. NATIONAL CENTRAL BUREAU
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Enacted		1995 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full–time permanent	59	$2,206	62	$2,542	65	$2,584	3	$42
11.3 Other than full–time permanent	2	129	6	86	0	93	...	7
11.5 Other personnel compensation	0	67	0	77	0	97	0	20
11.8 Special personal services payments	0	0	0	0	0	0	...	0
Total	61	2,402	68	2,705	65	2,774	3	69
Reimbursable workyears:								
Full–time permanent	0		0		0		0	
Other than permanent	0		0		0		0	
12 Personnel benefits		487		574		581		7
13 Benefits to former personnel		2		2		2		0
21 Travel and transportation of persons		93		79		80		1
22 Transportation of things		4		6		6		0
23.1 GSA rent		780		741		670		(71)
23.2 Rental payments to others		13		15		17		2
23.3 Communications, utilities and miscellaneous charges		249		293		304		11
24 Printing and reproduction		4		6		6		0
25 Other services		483		397		401		4
26 Supplies and materials		102		94		96		2
31 Equipment		117		225		108		(117)
32 Land and structures		0		0		0		0
41 Dues		1,445		1,269		1,440		171
43 Interest and dividends		0		0		0		...
44 Refunds		0		0		0		0
91 Unvouchered		0		0		0		0
Total obligations	61	6,181	68	6,406	65	6,485	(3)	79
Unobligated balance, start–of–year		0		0		0		
Unobligated balance, end–of–year		0		0		0		
Unobligated balance lapsing		0		0		0		
Total requirements		6,181		6,406		6,485		
Relation of obligations to outlays:								
Total obligations		6,181		6,406		6,485		
Obligated balance, start–of–year		0		0		0		
Obligated balance, end–of–year		0		0		0		
Adjustments in expired accounts		0		0		0		
Outlays		6,181		6,406		6,485		

INTERPOL – U.S. NATIONAL CENTRAL BUREAU
Salaries and expenses, General Legal Activities
Financial Analysis – Program Changes
(Dollars in thousands)

	Permanent out in Pos & FTE		Administrative Savings		Locality Pay		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades								
GS – 15	(1)	(80)	0	0			(1)	(80)
Total positions and annual rate								
Lapse (–)	0	0						
Total workyears and personnel compensation	(1)	(80)					(1)	(80)
Personnel Benefits								
Travel and transporation of persons								
Transportation of things								
GSA rent								
Communications, Utilities and miscellaneous charges								
Printing								
Other services				(10)				(10)
Supplies				(21)		(10)		(31)
Equipment				(9)		(23)		(32)
Grants, subs. & Contributions				(11)				(11)
				0				0
Total program workyears and obligation, changes requested, 1986	(1)	(80)	0	(51)	0	(33)	(1)	(164)

INTERPOL – U.S. NATIONAL CENTRAL BUREAU
Salaries and Expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Authorized	1995 Program Decrease	1995 Total
General Administration (300–399)	71	57	(1)	56
Accounting and Budget (500–599)	2	2	0	2
Paralegal Spcialist (950)	1	1	0	1
Information and Arts (1000–1099)	3	3	0	3
Other Miscellaneous	1	1	0	1
Total	78	64	(1)	63
Washington	78	64	(1)	63
U.S. Field 1/	0	0	0	0
Foreign Field	0	0	0	0
Total	78	64	(1)	63

Legal Activities Office Automation
Salaries and expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

	Amount
Adjustments to base:	
1994 President's request	$22,315
Mandatory increases:	
Annualization of 1994 increases	183
FTS 2000	151
GPL Adjustments	179
1995 Base	22,828

Estimates by budget activity	1993 Enacted	1993 Actual	1994 Enacted	1995 Base	1995 Request	Increase/ Decrease
Legal Activities Office Automation	$27,184	$27,195	$22,315	$22,828	$22,609	-$219

Legal Activities Office Automation
Salaries and expenses, General Legal Activities
Justification of program and performance
Activity Resource Summary
(Dollars in thousands)

Activity: Legal Activities Office Automation	1994 Appropriation Anticipated	1995 Base	1995 Estimate	Increase/ Decrease
Office Automation.....	$22,315	$22,828	$22,609	($219)

Long-Range Goal: The mission of the Legal Activities Office Automation fund is to improve the productivity of the Department's legal activities programs through modernization and enhancement of office automation systems.

Major Objectives:

Install systems which meet the central requirements of the litigating organizations and the information needs of the Department's management officials, and allow reliable interfaces with Department-wide data processing systems.

Implement cost-effective methods for electronic exchange of documents and messages among Departmental organizations and to connect Departmental litigating components to other Federal agencies and the public.

Institutionalize the planning and acquisition processes for office automation resources to:

- Build on the installed base of office automation systems in the litigating organizations;

- Build cooperative processing systems wherever possible;

- Ensure installation of compatible hardware and software; and

- Move office automation and computing systems toward US and international standards.

Base Program Description: In 1986, the Deputy Attorney General directed that the Department develop a comprehensive policy and strategy for the design and acquisition of automated systems for the six legal divisions, the offices of the U.S. Attorneys and offices of senior departmental management. The objective was to achieve management efficiencies and productivity gains in office automation systems and to move the Department toward a more coordinated and unified approach to these systems.

Since 1986, the Department has developed and implemented a series of project plans for carrying out the Deputy Attorney General's direction. Beginning with the AMICUS system in 1986 and the EAGLE system in 1989, the Department began to implement coordinated office automation systems throughout the litigating organizations, except for the Antitrust Division. In 1993, an electronic mail gateway was implemented between the EAGLE/AMICUS system and the Antitrust Division system. The Department is now pursuing the final coordinating step in this overall plan through a major systems acquisition which is expected to be ready for implementation in 1995 - the Justice Consolidated Office Network (JCON). The JCON Request for Proposals was published at the end of Fiscal Year 1993.

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JCON will build on the past successes of the Department's AMICUS and EAGLE systems. Like its predecessors, the JCON integrated office system will provide employees with desktop access to the tools necessary to increase productivity: (1) legal word processing - the document production, spell-checking and printing tools necessary for preparing lengthy legal materials with multiple footnotes, indices, tables of authorities, etc.; (2) electronic mail - a cost-effective electronic alternative to telephones, the postal system, and overnight delivery services for short and informal communications, especially for organizations with a nationwide field office network; (3) calendar management - tools for personal and group scheduling of court dates, meetings, conferences and events; (4) communications and file-transfer - tools for access to on-line legal research services (Lexis, Nexis, Westlaw, etc.), for linkage to the Department of Justice Data Centers for centralized data management activities, and for transferring documents and computer files from one location to another; and (5) database management - tools for automated organization, analysis and retrieval of various types of records, including both evidentiary and administrative data. And, like the AMICUS and EAGLE systems, JCON will be compatible with current and future directions (e.g., the interconnection of systems in a data communications network under the FTS 2000 contract).

A centralized JCON procurement project team, composed of a Project Manager from the Justice Management Division's Information Resources Management organization and technical representatives from each of the litigating organizations, is now pursuing the unified procurement strategy. This procurement project team is supported by a "Steering Committee" to decide policy and priority issues.

The JCON procurement will seek to take advantage of open systems architecture, heavily oriented around federal standards such as POSIX, GOSIP and SQL, and will be geared toward off-the-shelf hardware and software. The core of the procurement strategy will be a seven year "master" integration contract. To position the Department to be able to take advantage of improvements in technology and to insure lowest possible unit prices, the team will spin-off separately competed commodity procurements for personal computers, printers, cabling and other possible components. The commodity contracts will have shorter life cycles (2-3 years). JCON will adhere to federal information processing standards and will use offerings of FTS-2000 for long-haul communication among networks. The JCON acquisition strategy of a unified procurement with spin-off commodity buys will result in the lowest possible prices to the Department and will standardize integrated office automation by providing a uniform base of hardware and software across the Department. This standardization will promote compatibility and inter-operability among the litigating divisions, JMD and senior management offices. It will also permit an easy method for the rapid exchange and sharing of information of common interest; will reduce and/or eliminate redundancy in data collection and processing; and will lead to overall increases in productivity. JCON life-cycle costs are projected to be between $400 and $600 million. These costs include the "master" integration contract and the commodity buys. JCON costs will be paid out of Legal Activity Office Automation funds and the appropriations of the participating components.

Funding in 1995 will be used to begin JCON installation in the Antitrust, Civil, Civil Rights, and Environment and Natural Resources Divisions, the Office of the Solicitor General, and the Senior Management offices; and to continue lease payments on EAGLE systems installed in 1992 through 1994.

<u>Accomplishments</u>: The joint planning initiative by the litigating organizations has yielded impressive dividends. The AMICUS and EAGLE systems meet the current needs of more than 15,000 users in the litigating divisions, the Department's senior policy offices, the Solicitor General's Office, and the Organized Crime and Drug Enforcement Task Forces.

The allotment of 1994 LAOA funds was as follows:

United States Attorneys	$14,204	
Tax Division	1,089	
Criminal Division	869	
Environment Division	1,927	
Justice Management Division	1,125	(hotline support, contractor clearances, etc.)
Office of the Solicitor General	54	
JCON Procurement	836	
Antitrust Division	867	
Civil Division	465	
Civil Rights Division	879	
Total	$22,315	

It is important to remember that Legal Activities Office Automation funds are, by themselves, insufficient to automate the Department's legal activities. Departmental organizations also use their regular appropriations to augment Legal Activities Office Automation funds.

These accomplishments lay the foundation to reach the goal of uniformity envisioned in 1986. The funding request presented herein describes a plan that will ensure that the Department can obtain the benefits of integrated legal office automation and remain effective in carrying out its litigating responsibilities.

Program Changes: A reduction of $219,000 is required to comply with the Administration's mandated reductions in administrative expenses in order to assist in controlling the Federal Deficit and to improve the Federal Governments administrative productivity.

Requested 1995 funds are based on the following requirements:

- The Antitrust Division requests $573,300 to begin JCON implementation. This will complete conversion of the current Antitrust systems (Wang VS) to a network design compatible with the other litigating organizations.

- The Civil Division requests $2,800,980 to begin implementing JCON.

- The Civil Rights Division requests $2,096,000 to begin implementing JCON.

- The Criminal Division requests $736,000 to complete LTOP and maintenance for the 835 EAGLE workstations installed throughout the Division. In addition, the Criminal Division requests $80,000 to upgrade EAGLE workstations and equipment to prepare for JCON implementation in 1996.

- The Environment and Natural Resources Division requests $2,146,094 to begin implementing JCON.

- The Office of the Solicitor General requests $4,307 to complete EAGLE LTOP and maintenance, and $170,718 to begin implementing JCON.

- The Senior Management organizations request $400,692 to begin implementing JCON. The organizations to be covered in this category include the Office of the Attorney General, Office of the Deputy Attorney General, Office of Information and Privacy, Office of Legislative Affairs, Office of Public Affairs, Office of Liaison Services, Office of Legal Counsel, and Office of Policy Development.

- The Tax Division requests $263,696 to fund LTOP costs and maintenance costs for existing equipment and to upgrade workstations and equipment in preparation for implementation of JCON in 1996.

- The U.S. Attorneys request $2,120,000 to complete EAGLE LTOP costs of $1,456,000 and EAGLE maintenance costs of $664,000. In addition, the U.S. Attorneys request $6,880,000 to upgrade EAGLE workstations and equipment in preparation for JCON implementation beginning in 1996.

- The Justice Management Division requests $1,226,720 to upgrade backbone networks, workstations and other equipment in EAGLE organizations (other than the U.S. Attorneys) from obsolete technology in preparation for implementation of JCON in 1996.

- The Department requests $1,100,800 for the "General Benefits" account for the EAGLE/JCON projects. This category of expenditure includes items which benefit all involved organizations by funding such items as separate contractor administrative fees, software licensing and upgrades, nationwide hot-line support, certification of brand-name hardware and software for integration into EAGLE/JCON networks, shared hardware upgrades, shared telecommunications services, multi-organizational studies, and security background investigations for contractor personnel.

- The Department requests $535,000 in 1995 for administrative costs associated with completion of the JCON procurement and operation of the JCON program.

- The Department requests $1,474,693 for upgrades to the Department's office automation wide area network and for implementation of specialized gateways. The wide area network which interconnects the U.S. Attorney offices, divisional field offices, and Washington organizations uses circuits and services from the FTS-2000 contract. It is the principal way that litigating organizations exchange mail and documents. Planned wide area network upgrades will increase speed and reliability of these connections, and will implement the most current encryption technology. This request also includes $350,000 for implementation of specialized gateways between the Department's EAGLE/AMICUS/JCON office automation systems and other services. Examples of these specialized gateways are GOSIP-compliant X.400/X.500 mail gateways that will allow Justice organizations to exchange mail and documents with the courts, the Congress, other Federal agencies, and the public; and facsimile gateways that will allow users to send and receive facsimile transmissions without leaving their desks.

Continued implementation of this coordinated office automation program will end the proliferation of incompatible systems which now preclude the rapid and efficient transfer of information, documents, and work products among the litigating components. Also, this initiative will markedly expand the availability and use of automated legal research and litigation support.

Legal Activities Office Automation

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

ITEM	1995 Base	Administrative Savings	1995 Estimate
	Amount		
Communications, Utilities and Miscellaneous Charges	$ 200		$ 200
Other Services	12,100		12,100
Equipment	10,528	($219)	10,309
Total obligations, changes requested 1995	$22,828	($219)	$22,609

Special Counsel for Immigration Related Unfair Employment Practices
Salaries and expenses, General Legal Activities
Summary of Requirements

Adjustments to base:	POS	FTE	$(000)
1994 Appropriation enacted	35	35	4,389
Transfer of component to the Civil Rights Division	-35	-35	-4,389
1995 Base	...	...	...

Estimates by budget activity	1993 Appropriation Perm. Pos.	MY	Amount	1993 Actual Perm. Pos.	MY	Amount	1994 Appropriation Enacted Perm. Pos.	MY	Amount	1995 Base Perm. Pos.	MY	Amount	1995 Estimate Perm. Pos.	MY	Amount	Increase/Decrease Perm. Pos.	MY	Amount
13. Special Counsel for Immigration-Related Unfair Employment Practices	36	36	$4,242	36	35	$4,229	35	35	$4,389	...	...	...	...	...	...	...	...	...
Other Workyears																		
Overtime		1			1			1			...			...			...	
Total compensable workyears		37			36			36			...			...			...	

Department of Justice

Civil Liberties Public Education Fund

Estimates for Fiscal Year 1995

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Legal Activities

Civil Liberties Public Education Fund

Summary Statement

Fiscal Year 1995

This fund is used for two purposes: to makes redress payments of $20,000 each to Japanese-Americans who were interned, evacuated, or relocated during World War II, and to fund educational activities about the internment and evacuation to prevent the recurrence of any similar event. Both activities are authorized by the Civil Liberties Act of 1988.

The redress provisions of the Act are administered by the Civil Rights Division, and the educational activities will be administered by a nine member board to be appointed by the President.

To date, $1.6 billion has been appropriated for the redress provisions of the Act, of which $1.58 billion, representing 79,000 cases, has already been disbursed. No additional money has been requested for redress payments in the 1995 budget.

Legal Activities

Civil Liberties Public Education Fund

Justification of Proposed Changes in Appropriation Language

The 1994 budget estimates include proposed changes in the appropriation language listed below.

Civil Liberties Public Education Fund

For research contracts and public education activities and to publish and distribute the hearings, findings, and recommendations of the Commission on Wartime Relocation and Internment of Civilians, pursuant to section 106(b) of the Civil Liberties Act of 1988 (Public Law 100-383), $5,000,000.

Explanation of changes

This language is intended to provide funding for public education activities related to the internment of Japanese-Americans and also to cover reasonable administrative expenses of the Board, including expenses as follows:

(1) members of the Board shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the board;

(2) the Board may appoint and fix the pay of such additional staff as it may require; and

(3) administrative support services as required.

Legal Activities

Civil Liberties Public Education Fund

Crosswalk of 1994 Changes

(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Reprogrammings			1994 As Enacted		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Civil Liberties Public Education Fund.....	...	...	$105,000	...	...	-$5,000	...	...	...	...	...	$100,000
Total.....	...	...	105,000	...	...	-5,000	...	...	...	...	...	100,000

Legal Activities

Civil Liberties Public Education Fund

Summary of Requirements

(Dollars in thousands)

Adjustments to Base:	Perm. Pos.	Work-years	Amount
1994 as Enacted	...	...	$100,000
Decreases (automatic, non-policy)	...	...	-100,000
1995 base	...	...	...

Estimates by budget activity	1994 As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Liberties Public Education Fund	...	...	$100,000	...	...	...	...	...	$5,000	...	...	$5,000
Total	...	...	100,000	...	...	...	...	...	5,000	...	...	5,000

Legal Activities

Civil Liberties Public Education Fund

Summary of Resources by Program

(Dollars in thousands)

Estimates by budget activity	1993 Enacted			1993 Actual			1994 As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Liberties Public Education Fund	...	...	$500,000	...	...	$500,000	...	...	$100,000	...	...	...	...	...	$5,000	...	...	$5,000
Total	...	...	500,000	...	...	499,974	...	...	100,000	...	...	...	...	...	5,000	...	...	5,000

Legal Activities
Justification of Program and Performance
Civil Liberties Public Education Fund
Activity Resource Summary
(Dollars in thousands)

	1994 Appropriation Anticipated			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity:												
Civil liberties public education fund.....	...	...	$100,000	...	...	...	...	...	$5,000	...	...	$5,000

LONG-RANGE GOAL: To provide payments to eligible individuals of Japanese ancestry who were evacuated, relocated or interned in the United States during World War II as outlined by the Civil Liberties Act of 1988 and the Civil Liberties Act Amendments of 1992.

MAJOR OBJECTIVE:

To provide funds for payments to individuals identified as eligible under the provisions of the Civil Liberties Act of 1988 and the Civil Liberties Act Amendments of 1992.

BASE PROGRAM DESCRIPTION: The Civil Liberties Act of 1988 authorizes the appropriation of funds to establish a fund in the Treasury of the United States. Public Law 101-161, enacted November 21, 1989, classified the fund as an entitlement program. The Civil Liberties Act of 1992 authorized an additional $400 million, providing a total funding level of $1.65 billion. The Acts provide funds to compensate 80,000 individuals.

ACCOMPLISHMENTS:

Through December 31, 1993, 82,200 payments representing 79,134 cases have been disbursed to eligible individuals. (The number of payments exceeds the number of cases because some cases include payment to more than one heir.) In 1993, payments were made to all eligible individuals (or their heirs) regardless of their date of birth. Virtually all of the remaining payments to eligible individuals are expected to be disbursed in 1994.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil liberties public education fund	...	...	...	...	...	$5,000	...	...	$5,000

The $5 million increase will be used to fund educational activities outlined in Section 106(b) of the Civil Liberties Act of 1988. The purpose of this fund is to educate the American people about the internment and evacuation of Japanese-Americans during World War II and to prevent the recurrence of a similar event in the future. A nine member board, appointed by the President, will make decisions regarding the specific activities to be funded.

Among the items that might be funded by the board are publishing the hearings conducted by the Commission on Wartime Relocation and Internment of Civilians (CWRIC); reprinting the CWRIC's final report, Personal Justice Denied, which is currently out of print; establishing a curriculum materials program for high schools; and, creating an oral history project about the internment and evacuation.

In the Civil Liberties Act of 1988, Congress apologized to those Japanese-Americans who were interned, evacuated, or relocated during World War II, and sought to right this injustice through the redress program. The redress provision of the Act provides $20,000 to any eligible individual who was alive as of October 10, 1988.

Unlike the redress provision of the Act, which serves as a way to redress the injustices suffered by individuals, the educational component of the Act serves as an apology to the entire Japanese-American community, and as a memorial to those Japanese-Americans who died prior to the passage of the Act and who therefore are obviously ineligible to receive redress.

The $5 million included in this budget is considerably less than the $50 million originally envisioned by Congress when the Act was passed.

Department of Justice
Radiation Exposure Compensation
Payments to the Radiation Exposure Compensation Trust Fund
Estimates for Fiscal Year 1995
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Department of Justice
Radiation Exposure Compensation
Payments to the Radiation Exposure Compensation Trust Fund
Summary Statement
Fiscal Year 1995

The Radiation Exposure Compensation Trust Fund, hereafter referred to as the Fund, was established to permit the payment of claims to individuals exposed to radiation as a result of atmospheric nuclear tests and uranium mining in accordance with the Radiation Exposure Compensation Act of 1990 (P.L. 101-426). The Fund is available only for disbursement by the Attorney General. The Act, as amended by P.L. 101-510, authorizes a permanent indefinite appropriation of "such sums as may be necessary to carry out its purposes." Amounts appropriated are to remain available until termination of the Fund in 2012, 22 years after the date of enactment. Although the Attorney General is responsible for the payment of claims, the program activities of the Department of Defense and the predecessors to the Department of Energy precipitated the need for the Act. The Department of Justice is thus seeking appropriations on their behalf under functional classification 050 - Defense.

Full-scale implementation of the program by the Civil Division of the Justice Department, to which the Attorney General has delegated the administration of the program, began in April of 1992. During the remainder of 1992, 1,898 claims were received. About 18 percent of the cases received were resolved in 1992. Because initial implementation of the program focused on only the most straightforward meritorious claims, all of the claims resolved in 1992 were approved, with payments totalling $26,200,000. After the initial flood of filings, the volume of receipts dropped to 1,340 in 1993. These receipts, when added to the claims pending from 1992 yielded a 1993 workload of 2,897 claims. Of these claims, 2,165 were resolved, with 44 percent approved for payments totalling $66,900,000. During 1994, filings are expected to continue to decline, dropping about 24 percent from 1993 levels before stabilizing at about 85 a month in 1995.

In anticipation of a large influx of claims and subsequent payments during the first months of operations, the Department of Defense Appropriation Act, 1992, provided $30,000,000 for the Fund. In 1993, Congress appropriated $170,750,000 to cover both the backlog of 1992 claims as well as additional expected filings. Based on an expected balance of $72 million at the end of 1994, and an analysis of projected filings and approvals, the Civil Division expects that the existing appropriation will be sufficient to cover payments through 1995.

Department of Justice
Radiation Exposure Compensation
Payments to the Radiation Exposure Compensation Trust Fund
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Reprogrammings			1994 As Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Radiation Exposure Compensation Trust Fund	...	...	$...	...	...	$...	...	...	...	...	...	$...

Department of Justice
Radiation Exposure Compensation
Payments to the Radiation Exposure Compensation Trust Fund
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Adjustments to base:			
1994 As Enacted	...	...	$...
1995 Base	...	...	$...

Estimates by budget activity	1993 Actual			1994 As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Radiation Exposure Compensation Trust Fund	...	...	$170,750	...	...	$...	...	...	$...	...	...	$...	...	...	$...

Based on current and projected trends in the number of applications filed and approved, the Civil Division estimates that the funds received in prior years will be sufficient to pay claimants through the end of 1995. The percentage of claims approved is projected to remain stable at just over 40 percent. The number of claims filed is expected to fall 24 percent between 1993 and 1995. The decreased level of filings is due in part to a determination by on-site participants that they would receive greater funds by electing the benefits to which they may be entitled from the Department of Veterans Affairs (VA) or the Social Security Administration (SSA) rather than filing claims pursuant to the Act. Per Act regulations, the present value of any prior payments are deducted from Fund payments. Moreover, Section 6(e) of the Act provides that acceptance of payments under the Act is final settlement of all claims of or on behalf of an individual against the United States. Since the award for a meritorious on-site claim is $75,000, lifetime annuities paid by the VA and SSA offer obvious financial advantages.

Department of Justice
Radiation Exposure Compensation
Payments to the Radiation Exposure Compensation Trust Fund
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Estimates by budget activity	1994 As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Radiation Exposure Compensation Trust Fund	...	...	$...	...	...	$...	...	...	$...	...	...	$...

LONG-RANGE GOAL: To provide for payments to eligible individuals who suffered specified illnesses as a result of exposure to radiation as outlined by the Radiation Exposure Compensation Act of 1990.

MAJOR OBJECTIVES: To provide payments to individuals identified as eligible under the provisions of the Radiation Exposure Compensation Act of 1990.

BASE PROGRAM DESCRIPTION: The Radiation Exposure Compensation Act of 1990 (P.L. 101-426) authorizes the appropriation of funds to establish a trust fund in the Treasury of the United States to provide payments of $50,000 to individuals who lived downwind of nuclear test sites and developed certain specified diseases and payments of $100,000 to persons employed in uranium mines who developed certain diseases. The Act was amended by the National Defense Authorization Act for FY 1991 (P.L. 101-510) to include payments of $75,000 to individuals who participated on-site in atmospheric nuclear tests and developed specified diseases.

The Act authorizes a permanent indefinite appropriation of "such sums as may be necessary to carry out its purposes." Funds appropriated are available only for disbursement by the Attorney General under section 6 of the Act and are to remain available until termination of the Fund in 2012, 22 years after the date of enactment. Although the Attorney General is responsible for the disbursement from the Fund, the program activities of the Department of Defense and the predecessors to the Department of Energy precipitated the need for the Act.

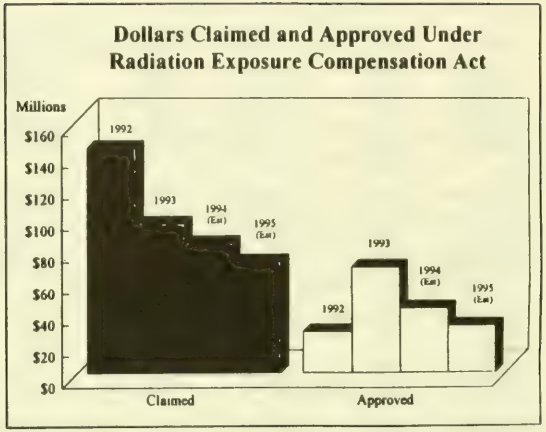
ACCOMPLISHMENTS AND WORKLOAD: The table below reflects the workload the Civil Division is expected to handle through 1995.

Radiation Exposure Compensation Program
Claims and Dollars Sought
(Dollars in thousands)

	(APR-SEPT) 1992 Actual		1993 Actual		1994 Estimate		1995 Estimate	
	Number	Dollar Value	Number	Dollar Value	Number	Dollar Value	Number	Dollar Value
Total Claims								
Downwinders								
Claims Pending, Beginning of Year	0	$0	690	$34,500	287	$14,350	97	$4,850
Claims Filed	848	42,400	677	33,850	660	33,000	528	26,400
Claims Approved	158	7,900	522	26,100	425	21,250	288	14,400
Claims Denied	0	0	558	27,900	425	21,250	289	14,450
Claims Pending, End of Year	690	$34,500	287	$14,350	97	$4,850	48	$2,400
On-Site Participants								
Claims Pending, Beginning of Year	0	$0	186	$13,950	107	$8,025	33	$2,475
Claims Filed	186	13,950	206	15,450	180	13,500	176	13,200
Claims Approved	0	0	52	3,900	50	3,750	40	3,000
Claims Denied	0	0	233	17,475	204	15,300	138	10,350
Claims Pending, End of Year	186	$13,950	107	$8,025	33	$2,475	31	$2,325
Uranium Miners								
Claims Pending, Beginning of Year	0	$0	681	$68,100	338	$33,800	298	$29,800
Claims Filed	864	86,400	457	45,700	360	36,000	312	31,200
Claims Approved	183	18,300	369	36,900	160	16,000	125	12,500
Claims Denied	0	0	431	43,100	240	24,000	188	18,800
Claims Pending, End of Year	681	$68,100	338	$33,800	298	$29,800	297	$29,700
Total								
Claims Pending, Beginning of Year	0	$0	1,557	$116,550	732	$56,175	428	$37,125
Claims Filed	1,898	142,750	1,340	95,000	1,200	82,500	1,016	70,800
Claims Approved	341	26,200	943	66,900	635	41,000	453	29,900
Claims Denied	0	0	1,222	88,475	869	60,550	615	43,600
Claims Pending, End of Year	1,557	$116,550	732	$56,175	428	$37,125	376	$34,425
Payments Approved	341	$26,200	943	$66,900	635	$41,000	453	$29,900

From initial implementation through the close of 1993, the Civil Division has resolved a total of 2,506 claims. Of these claims, 1,284 have been approved for payments totalling $93 million. As total filings decline and the rate of approval holds steady, payments from the Fund will decrease.

Through the end of 1995, the Civil Division estimates that it will have approved cumulatively 2,372 claims for payments totalling $164,000,000. Given these estimates, the existing appropriation of $170,750,000 will be sufficient to fund the payments that are expected.



Department of Justice
Radiation Exposure Compensation
Administrative Expenses
Estimates for Fiscal Year 1995
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Department of Justice
Radiation Exposure Compensation
Administrative Expenses
Summary Statement
Fiscal Year 1995

The Radiation Exposure Compensation Act of 1990 offers an apology and monetary compensation to individuals exposed to radiation released during above-ground nuclear weapons tests and uranium mining. Payments to affected individuals come from the Radiation Exposure Compensation Trust Fund, hereafter referred to as the Fund, authorized by the Act. Although the program activities of the Department of Defense and the predecessors to the Department of Energy precipitated the need for the Act, the Attorney General is responsible for the disbursement of the Fund and has delegated the administration of the program to the Civil Division.

To administer the program, the Civil Division was provided 17 new positions funded through a direct allocation to the General Legal Activities appropriation in 1992. In order to more effectively reflect the administrative expenses associated with the Fund, in 1993 a separate appropriation was established by transferring funds from the General Legal Activities appropriation. The 1993 appropriation of $2,722,000 (reduced to $2,586,000 by a transfer to meet other urgent needs of the Department) was scored against the Defense classification, and through a reimbursable agreement, made available to the Civil Division under Object Class 25.0 (Other Services).

The program was implemented during 1992 when the staff was hired and the regulations, systems and procedures were put in place to process claims. Review of applications began in the Spring of 1992. Throughout the remainder of that fiscal year, the Civil Division received 1,898 claims, or, 316 per month. Following this initial influx, filings decreased to an average of 112 per month in 1993. By 1995, the Civil Division expects to receive about 85 new claims per month.

In 1995, administration of the program is projected to cost $2,655,000, or $13,000 below the 1994 appropriation. This reduction reflects the impact of the lower processing costs associated with a projected decrease in filings through 1995. Since the funding decrease is a result of an anticipated workload reduction, the ability to process claims timely and accurately will not be affected.

Department of Justice
Radiation Exposure Compensation
Administrative Expenses
Justification of Proposed Changes in Appropriation Language

The 1995 estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Radiation Exposure Compensation Administrative Expenses

For necessary administrative expenses in accordance with the Radiation Exposure Compensation Act, [$2,668,000] .$2,655,000

(Department of Justice and Related Agencies Appropriation Act, 1994.)

Explanation of change:

No substantive changes proposed.

Department of Justice
Radiation Exposure Compensation
Administrative Expenses
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Reprogrammings			1994 As Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Radiation Exposure Compensation Administrative Expenses	...	...	$2,722	...	...	($54)	...	...	...	...	...	$2,668

Department of Justice
Radiation Exposure Compensation
Administrative Expenses
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Adjustments to base:			
1994 As Enacted	...	...	$2,668
1995 Base	...	...	$2,668

Estimates by budget activity	1993 As Enacted			1993 Actual			1994 As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Radiation Exposure Compensation Admin. Expenses	...	..	$2,586	...	..	$2,061[1]	...	..	$2,668	...	..	$2,668	...	..	$2,655	...	..	($13)

The Fund is used to compensate individuals exposed to radiation released during above-ground nuclear weapons tests and uranium mining. In 1992, the Civil Division of the Department of Justice was appropriated 17 positions to implement the program. Beginning in 1993, funding was scored against the Defense functional classification and made available to the Civil Division of the Department of Justice under Object Class 25.0 (Other Services). As shown in the above table, the 1995 cost of administering the program is $2,655,000, a decrease of $13,000 from the 1994 appropriation. This decrease reflects the lower administrative costs associated with the reduced filings projected through 1995.

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[1] The difference between the $758,000 reflected in the 1995 President's Appendix and the 1993 Actual amount of $2,061,000 is due to billing delays.

Department of Justice
Radiation Exposure Compensation
Administrative Expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

	1994 As Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: Radiation Exposure Compensation Administrative Expenses.....	...	...	$2,668	...	...	$2,668	...	...	$2,655	...	...	($13)

LONG-RANGE GOAL: To execute the Radiation Exposure Compensation Act of 1990 successfully, making accurate, timely payments for approved claims and protecting the U.S. Treasury against unwarranted claims.

MAJOR OBJECTIVES: To administer efficiently payments to individuals identified as eligible under the provisions of the Radiation Exposure Compensation Act of 1990 and handle successfully any ensuing litigation.

BASE PROGRAM DESCRIPTION: The Radiation Exposure Compensation Act of 1990 (P.L. 101-426) offers an apology and monetary compensation to individuals exposed to radiation released during above-ground nuclear weapons tests and uranium mining. The Act establishes a trust fund in the U.S. Treasury to provide payments of $50,000 to individuals who lived downwind of nuclear test sites and developed specified diseases as well as payments of $100,000 to persons employed in uranium mines who developed certain diseases. The Act was amended by the National Defense Authorization Act for FY 1991 (P.L. 101-510) to include payments of $75,000 to individuals who participated on-site in atmospheric nuclear tests and developed specified diseases.

Published in March of 1992, program regulations were structured to minimize the documentation requirements for individual claimants while providing maximum possible protection against fraud and abuse. To receive compensation, a claimant need only prove that he or she resided in

one of the specified areas during the specified time period, participated in a nuclear weapons test or was an employee in an uranium mine, and developed one of the designated ailments within a certain number of years.
An extensive range of responsibilities is associated with administering the program including: identifying possible claimants through effective publicity, expediting claims processing through attentive customer service, tracking claims automatically to facilitate program management and administering trust fund operations to ensure payments are accurate and timely. Highlights of the initial phase of this program are given below:

Identification of Claimants: Through an extensive publicity campaign, including seminars in Utah, Colorado, New Mexico and Wyoming, numerous press releases and a toll-free hot line, the Civil Division identified over 6,000 potential claimants and mailed claims packages to each of them.

Customer Service: The Civil Division created claims forms and guidebooks for each of the three claimant categories. Substantial effort was expended to make the forms and guidebooks easily usable by persons without an attorney. The Division also developed release forms to obtain information from state, Federal and private sources to assist claimants. In addition, the Division recently designed a new system for providing status information to claimants.

Automated Support: The Civil Division developed and implemented an automated system for tracking claims under the Radiation Exposure Compensation Act. Information about the claimants, victims, illnesses and radiation exposure is recorded in the database. The system tracks actions due and completed by the staff and generates tickler reports used to manage the workload, schedule processing and assure that claims are handled within the timeframe required by the Act. The system also automatically generates various letters and notices along with mailing labels to be sent to claimants. Management reports and statistics on claims processed and dollars awarded are also produced by the automated system.

The effectiveness of the program was confirmed by the Inspector General during the first quarter of 1993. After an extensive review and audit of the Radiation Program, the Inspector General's report concluded that the program was "well managed and operating effectively."

ACCOMPLISHMENTS AND WORKLOAD: The table below reflects the workload the Civil Division is expected to handle through 1995.

	1992 Actual		1993 Actual		1994 Estimate		1995 Estimate	
Total Radiation Compensation Claims	Number	Dollar Value	Number	Dollar Value	Number	Dollar Value	Number	Dollar Value
Pending, Beginning of Year	0	$0	1,557	$116,550	732	$56,175	428	$37,125
Claims Filed	1,898	142,750	1,340	95,000	1,200	82,500	1,016	70,800
Claims Approved	341	26,200	943	66,900	635	41,000	453	29,900
Claims Denied	0	0	1,222	88,475	869	60,550	615	43,600
Pending, End of Year	1,557	$116,550	732	$56,175	428	$37,125	376	$34,425

In 1993, workload totalled 2,897 claims, including 1,557 cases pending from 1992, plus 1,340 new filings. Of these claims, 2,165 were resolved, with 943, or 44 percent, approved for payments totalling $67 million. This approval rate contrasts with the 100 percent approval rate in the prior year specifically because, the priority at the outset of the program was to process the most straightforward meritorious claims. Once this "straightforward" pool had been reviewed, the approval rate began to drop as proportionately more of the applications were either incomplete, or, failed to meet the eligibility requirements. The Civil Division anticipates the rate of approval will remain just over 40 percent through 1995.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Radiation Exposure Compensation Administrative Expenses.	...	...	$2,668	...	...	$2,655	...	...	($13)

The Civil Division seeks a program decrease of $13,000. In projecting 1995 administrative costs, two factors were considered. The first factor was the decline in the number of cases that will be processed in 1995, and the consequent decrease in required funding for contractor services used in searching medical and other records to verify claimant eligibility. The second factor involves the increasing complexity of new claims. As relatively fewer claims are found to be meritorious without supplemental information or investigation, the staff time required to process claims has increased. On balance, the Civil Division anticipates savings up to $13,000 can be achieved.

STATEMENT OF JAMIE S. GORELICK

Mr. MOLLOHAN. We are pleased to welcome for her first appearance before the committee the new Deputy Attorney General, Jamie S. Gorelick.

Ms. Gorelick, your biographical material and your written statement will be made a part of the record, and you may proceed with your oral statement.

Ms. GORELICK. Thank you very much.

Mr. MOLLOHAN. Welcome.

Ms. GORELICK. I appreciate the opportunity to be here today. This is my first such hearing and I welcome the opportunity to have a dialogue with you on a budget that is tight, but one that we feel can allow us to meet our mission.

The appropriations that we are discussing here today reflect two distinct roles played by the Department of Justice. One as the nation's law firm, the nation's preeminent law firm, and another as the organizational structure through which Congress allows us to remedy past wrongs.

The litigating divisions, with the U.S. Attorneys' Offices, carry the voice of the Federal Government and the American people into courtrooms across the country. We prosecute a wide variety of crimes and present a wide variety of civil cases. In 1995, the Administration is requesting an appropriation in order to fund 3,618 positions for General Legal Activities, which is a 6.3 percent increase in funding over the 1994 GLA appropriation.

Three-quarters of this amount represents adjustments to our base resource level, allowing us to fund ongoing operations and the remainder, a fairly modest amount, is for net program increases.

I would like to review very, very briefly for you the high points with respect to each of the divisions and then obviously respond to your questions.

With respect to the Civil Rights Division, program increases total 72 positions and $10.6 million. This amount is offset by administrative and personnel reductions, leaving a net program increase of 65 positions and $8.8 million.

CIVIL RIGHTS

The enhancements in Civil Rights will enable the division to increase the rate at which criminal civil rights violations are investigated and prosecuted, ensure that voting rights of racial and language minorities are not abridged, and encourage voluntary compliance with the Americans with Disabilities Act.

As part of the Immigration and Naturalization Service's employer sanctions initiative, we are requesting an increase of 25 positions, and $5 million for the Office of Special Counsel for Immigration-Related Unfair Employment Practices, which, as you know, has merged with the Civil Rights Division. We hope that this increase will improve both employer and employee awareness of IRCA's prohibition on discrimination.

ENVIRONMENT AND NATURAL RESOURCES

With respect to the Environment and Natural Resources Division, we are seeking a total program increase of 85 positions and a little over $6 million, with some offsets, to enable the division to implement our environmental protection initiatives, to enable us to meet our defensive obligations, that is in defending the United States against claims, and to handle a burgeoning international workload.

CIVIL REQUEST

In the Civil Division, we are defending one of the largest civil claims ever in the A-12 Stealth fighter contract termination case, a case that I am quite familiar with from my Department of Defense days. This case is requiring a significant increase in our abilities and our assets.

With respect to the National Childhood Vaccine Injury Compensation Program, we are requesting six additional reimbursable work-years for the defense of claims under that program. We also are showing a proposal of administrative reductions designed to help us meet our budget reduction targets.

We are asking for compensation appropriations to both the Civil Liberties Public Education Fund and to the Radiation Exposure Compensation Trust Fund.

Mr. Chairman, this is a brief summary of even my summary remarks, so that we will have as much time as necessary for any questions that you may have.

[The biographical sketch and prepared statement of Deputy Attorney General Gorelick follows:]

Office of the Deputy Attorney General
Washington, D.C. 20530

JAMIE S. GORELICK

Jamie S. Gorelick was sworn in as Deputy Attorney General of the Department of Justice on March 28, 1994. She is the second ranking official in the Department of Justice, and is the Chief Operating Officer of the Department.

Ms. Gorelick was General Counsel of the Department of Defense. She was the Chief Legal Officer among over 6,000 lawyers within the Department of Defense, responsible for advising the Secretary and Deputy Secretary on international and intelligence matters, procurement and procurement reform, environmental issues, investigations, litigation and personnel and fiscal matters. She had been a litigator with the Washington, D.C. firm of Miller, Cassidy, Larroca and Lewin, where she specialized in civil and criminal matters, including grand jury and agency investigations, in areas including health care, environmental issues, defense procurement, legal ethics and professional responsibility, intellectual property and international trade.

In 1979 and 1980, she served, first, as Vice-Chair of the Task Force on the Evaluation of the Audit, Investigation and Inspection Components of the Department of Defense and, thereafter, as Assistant to the Secretary and Counsellor to the Deputy Secretary of Energy. In 1980, she was awarded the Secretary's Outstanding Service Medal.

Ms. Gorelick was President of the D.C. Bar, a 60,000 member association whose activities include the provision of pro bono legal services, discipline of attorneys, and the provision of legal ethics advice and continuing legal education. She has also been an officer and member of the Council of the American Bar Association's Section of Litigation and a member of its House of Delegates, and its Standing Committee on Professional Discipline. She has been on the boards of several public interest groups and charitable organizations, including the National Women's Law Center, the Bazelon Center for Mental Health Law, the Abramson Memorial Foundation and the Washington Legal Clinic Advisory Board.

Ms. Gorelick has written and spoken widely on subjects ranging from the protection of government information, legal ethics, document retention and destruction, internal investigations, criminal justice issues, and international trade. She is a co-author of the leading treatise on document

maintenance and the sanctions of destruction of evidence, Destruction of Evidence (1989), as well as articles and book chapters on investigation techniques.

Ms. Gorelick has litigated in courts across the country. She is a member of numerous bars including the bars of the Supreme Court, six federal circuits and the D.C. Court of Appeals. Ms. Gorelick served on the Grievance Committee of the U.S. District Court for the District of Columbia and as a member of the Judicial Conferences of the District of Columbia and Federal Circuits and the District of Columbia Court of Appeals.

Ms. Gorelick graduated from Radcliffe College, Harvard University (magna cum laude, 1972), where she was Radcliffe Orator, and Harvard Law School (cum laude), 1975). She has been a member of the Overseers' Committee to Visit Harvard College. She taught trial advocacy at Harvard Law School and was a pre-law tutor and a Teaching Fellow in Government at the Kennedy School of Government.

Ms. Gorelick was honored as the Woman Lawyer of the Year by the Women's Bar Association in 1993 and is listed in The Best Lawyers in America, Who's Who in America, Who's Who in American Law, and in The Fifty Best Lawyers in Washington.

DEPARTMENT OF JUSTICE
GENERAL LEGAL ACTIVITIES
CIVIL LIBERTIES PUBLIC EDUCATION FUND
RADIATION EXPOSURE COMPENSATION TRUST FUND
RADIATION EXPOSURE COMPENSATION ADMINISTRATIVE EXPENSES

STATEMENT OF JAMIE S. GORELICK
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE
DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Committee Members:

I am pleased to be here today to discuss the Justice Department's 1995 requests for the General Legal Activities, the Civil Liberties Public Education Fund, the Radiation Exposure Compensation Trust Fund and the Radiation Exposure Compensation Administrative Expenses appropriations.

Before I begin with the budgetary details, I would like to express the appreciation of the Attorney General and myself for this Subcommittee's continued support. That support has been instrumental in ensuring the integrity, quality and, ultimately, the success of the Department's litigating divisions.

Introduction:

The appropriations that we are discussing today essentially reflect two distinct roles played by the Department of Justice -- one as the Nation's preeminent law firm and another as an organizational structure through which Congress can remedy injustices caused by past Federal policies.

First and foremost -- the General Legal Activities appropriation contains our funding request for the Criminal, Civil, Civil Rights, Tax, and Environment and Natural Resources

Divisions, as well as the Office of the Solicitor General and the Office of Legal Counsel. The appropriation also funds INTERPOL's U.S. National Central Bureau and the Legal Activities Office Automation Fund (LAOA), which provides resources for office automation equipment and maintenance to all of the Department's litigating components and senior policy offices.

Second, through the appropriations for the Civil Liberties Public Education Fund, the Radiation Exposure Compensation Trust Fund and the Radiation Exposure Compensation Administrative Expenses, the Department has delivered justice to thousands of American citizens aggrieved by our Government's past policies.

General Legal Activities (GLA) Appropriation:

Let me begin with the President's 1995 request for the Justice Department's General Legal Activities appropriation. The Department of Justice is the Nation's Litigator and, by most accounts, the world's finest law firm. The litigating divisions, together with the 93 U.S. Attorneys, carry the cause of the Federal Government and the American people into courtrooms across the country. Our attorneys prosecute hate crimes, environmental polluters, drug traffickers and organized crime figures; they defend the Federal Government in multi-million dollar contract disputes and against challenges to legislative mandates; they root out discrimination, economic collusion and tax evasion schemes; and they work with private and public enterprises to encourage voluntary compliance with civil rights, environmental protection and tax statutes. Although the Department's

enforcement responsibilities are vast, a desire to obtain justice motivates our attorneys to accept the challenge on behalf of all Americans.

In 1995, the Administration is requesting an appropriation of $432,696,000 to fund 3,618 positions for General Legal Activities. This request includes a $25,462,000 increase, or 6.3 percent, in funding over the 1994 GLA appropriation. Three-quarters of this amount, or $16,825,000, represents adjustments to our base resource level that will allow us to fund the requirements of ongoing operations, while the remaining $8,637,000 is requested for net program increases.

GLA Program Increases:

Confronted with increasing demands on existing resources and a diminished expectation of new resources, the Department has concentrated program increases primarily in two divisions -- Civil Rights and Environment and Natural Resources. From the outset, this Administration has expressed its intent to pursue more rigorous enforcement of Federal civil rights and environmental protection statutes. Commitment of additional Federal resources will enable the Civil Rights and the Environment and Natural Resources Divisions to assume more proactive enforcement approaches, working to encourage voluntary compliance with Federal statutes and, thereby, deterring future violations.

Civil Rights Division:

Equal opportunity, equal treatment, equal justice -- these are not just lofty American ideals; they represent the creed of the Civil Rights Division. Through vigorous enforcement of Federal civil rights statutes, the Division has worked nationwide to eradicate discrimination on the basis of race, gender, national origin or physical disability in housing, voting rights, mortgage lending, employment, public access, and education.

In 1995, the Civil Rights Division program increases total 72 positions (20 attorneys) and $10,693,000. These resources will be used to expand the enforcement of criminal civil rights statutes, the Americans with Disabilities Act, the Voting Rights Language Assistance and National Voter Registration Acts, the Fair Housing and Fair Housing Amendments Acts, and Section 102 of the Immigration Reform and Control Act.

As hate crimes and acts of official misconduct continue to plague both our neighborhoods and our criminal justice system, calls for Federal prosecution under criminal civil rights statutes have become increasingly intense. To respond to the growing number of complaints and to increase the rate at which staff attorneys can investigate and prepare prosecutable offenses for trial, the Department has requested 4 attorney positions and $368,000.

Through the Americans with Disabilities Act (ADA), Congress has attempted not only to ensure equal access to public services, commercial facilities and places of public accommodation, but has also heightened Americans' consciousness about the impact of

living with a disability. Having adopted a cooperative approach with private businesses as well as State and local governments, the Public Access Section of the Civil Rights Division has sought to secure *voluntary* compliance with the ADA by providing information about the statutory requirements and offering technical assistance resources. In 1995, the Public Access Section is requesting an increase of 22 positions (11 attorneys) and $4,541,000. The total increase is allocated as follows: 17 positions (10 attorneys) and $2,069,000 to address and resolve the growing number of complaints received, to maintain litigation activities and to continue the compliance review program; 3 positions and $267,000 to increase the level of technical assistance to educate the public; 2 positions (1 attorney) and $205,000 to enable the Public Access Section to double its response rate for technical assistance and certification requests from State and local governments; and $2,000,000 to increase by 50 percent the number of technical assistance grants awarded.

Like many of the other sections within the Civil Rights Division, the Voting Rights Section faces expanded enforcement responsibilities as a result of recently enacted legislation, such as the Voting Rights Language Assistance Act and the National Voter Registration Act. To tackle these new enforcement duties while also maintaining its non-discretionary caseload under the Voting Rights Act, the Voting Rights Section is requesting an increase of 8 positions (3 attorneys) and $520,000.

Consistent with the objectives of the National Performance Review to streamline government organizations, to reduce

administrative costs and duplication and to increase efficiency, the Department has merged, with Congressional approval, the Office of Special Counsel for Immigration Related Unfair Employment Practices (OSC) and the Civil Rights Division. OSC will become a distinct entity within the Civil Rights Division, with the Special Counsel reporting directly to the Assistant Attorney General for Civil Rights. The merger will centralize all of the Department's civil rights enforcement efforts within the Division and will simplify reporting lines to the Attorney General. In 1995, OSC's base resources of 35 positions and $4,641,000 will be reprogrammed to the Civil Rights Division.

The Department seeks a program increase of 25 positions and $5,000,000 for OSC as part of the Immigration and Naturalization Service's employer sanctions initiative. As anti-immigration sentiment continues to grow around the country, the Department must be particularly vigilant to prevent employment discrimination on the basis of national origin or citizenship status. This program increase includes $2,000,000 to strengthen enforcement of the Immigration Reform and Control Act's (IRCA's) prohibition of national origin and citizenship discrimination in employment and $3,000,000 for grants and outreach efforts to educate both employees and employers about the requirements of IRCA's Section 102.

The Department is also requesting modest increases for the Housing and Civil Enforcement, Employment Litigation and Management and Administration Sections to maintain current workload levels. The Division seeks an increase of one attorney

position and $132,000 to continue the mortgage lending and housing discrimination testing initiatives started in 1991. For the Employment Litigation Section, the Division requests an increase of one attorney position and $132,000 to increase the number of Title VII and Title I cases commenced per year, to increase the number of investigations conducted and to address the continual rise in agency referrals. Lastly, to accomplish various administrative tasks currently performed by outside contractors, the Division requests an increase of 11 positions, which it will fund using existing resources. The Division estimates that replacing contractor personnel with lower-cost division employees will result in an annual savings of approximately $117,000.

Environment and Natural Resources Division:

Mr. Chairman, I would now like to discuss the program enhancements requested for the Environment and Natural Resources Division. Protection of our environment and natural resources has become one of our nation's most pressing issues -- affecting not just our generation but future generations; concerning not just environmentalists but industrialists, fishermen and sportsmen; and, involving not just our nation but every nation around the globe.

Federal statutes protecting our environment and natural resources attempt to balance these interests. However, that balance is often precarious, with some constituencies arguing that the Government has over-regulated and others contending that

the Government has not regulated enough. The Environment and Natural Resources Division has responded aggressively to these challenges using a comprehensive strategy, including prosecution for criminal violations, collection of civil penalties, recovery of clean-up costs, protection of natural resources, and defense of challenges to the implementation of legislative mandates, such as the Clean Air Act, the Endangered Species Act and the Comprehensive Response, Compensation and Liability Act.

The Department is seeking total program increases of 85 positions (50 attorneys) and $6,138,000 (including $2,239,000 for automated litigation support -- ALS) to implement the Division's environmental protection initiative, to increase litigation activities with respect to natural resource issues, to handle the burgeoning international workload and to provide automated litigation support for more efficient case preparation.

Environmental Protection Program:

In 1995, the Division is requesting 63 positions (40 attorneys) and $4,295,000 (including $1,439,000 for ALS) to expand its criminal and civil environmental protection efforts. These increases are spread across the Environmental Crimes Section, the Environmental Defense Section and the Environmental Enforcement Section.

The Environmental Crimes Section (ECS) is seeking 15 positions (12 attorneys) and $1,001,000 (including $300,000 for ALS). Criminal enforcement of environmental protection statutes, coupled with public pressure, has proved to be the most effective method for securing voluntary compliance. These additional

resources will enable ECS to complete its goal of establishing a core of four line attorneys to provide support to each of the ten Environmental Protection Agency (EPA) regions and the U.S. Attorneys Offices. ECS anticipates that this initiative will increase indictments by 15 to 20 percent and will enable the Section to achieve a 90 percent or higher conviction rate.

The Environmental Defense Section (EDS) requests 20 positions (12 attorneys) and $1,442,000 (including $500,000 for ALS). This program increase will provide necessary staffing levels to handle complex Federal Facility/Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) cases, as well as challenges to the EPA's implementation of the Clean Air Act.

The Environmental Enforcement Section (EES), which collects civil penalties and recovers the Government's clean-up costs, is seeking an increase of 28 positions (16 attorneys) and $1,852,000 (including $639,000 for ALS). EES will use half of these positions to staff the EPA's multi-media initiative under which the EPA refers complex, resource-intensive cases frequently involving various sources of hazardous contamination on multiple sites. EES will use the other positions to bring approximately five to ten more cases to recover funds spent by or on behalf of Federal agencies for damages to natural resources within their control, to evaluate 50 to 75 requests from private parties seeking to be released from future claims as part of their Superfund settlements with the EPA, and to pursue cost recovery actions against private parties who contributed to the

contamination of Federal land or facilities.

Natural Resources Program:

The Natural Resources program requests 16 positions (9 attorneys) and $1,579,000 (including $800,000 for ALS) for its General Litigation, Wildlife and Marine Resources and Indian Resources Sections.

Protection of our nation's natural resources has not come without a cost. Because of the high economic stakes in natural resource use, private corporations and interest groups have repeatedly challenged the validity of Federal regulations governing offshore drilling, use of Federal lands and access to water. To respond to the increasing frequency of litigation contesting these issues and the looming fiscal implications for the Treasury, the General Litigation Section is seeking an increase of 8 positions (4 attorneys) and $696,000 (including $300,000 in ALS) to fund its defensive caseload involving takings, water rights and royalty litigation.

Similarly, Federal efforts to protect endangered species and the marine environment have led to a tremendous amount of litigation with private and commercial users of our nation's natural resources. Just as an indicator of the current level of activity, this Section's caseload has quadrupled over the past five years, with more than 200 Endangered Species Act cases currently pending. To handle the growing number of cases brought under the Endangered Species Act, the Wildlife and Marine Resources Section seeks a program increase of 4 positions (3 attorneys) and $350,000 (including $150,000 in ALS).

The Indian Resources Section requests an increase of 4 positions (2 attorneys) and $533,000 (including $350,000 in ALS). This program enhancement will enable the attorneys to maintain their current caseload while also participating on Department of Interior negotiation teams that are investigating new cases concerning groundwater pollution on Indian land and cases stemming from the new regulatory program for Indian gaming.

Appellate & Policy Program:

As I have just discussed, the Environment and Natural Resources Division has its hands full with its domestic enforcement efforts. However, protecting the United States' environmental climate no longer means just monitoring our pollution levels and enforcing compliance with Federal environmental protection statutes. Because environmental protection is an issue of both global concern and global proportions, the U.S. must play a key role in international negotiations to establish environmental standards. The Administration increasingly relies on attorneys from the Appellate and Policy Program to fill that role for the U.S. To address these growing international responsibilities, the Division is requesting 2 positions (1 attorney) and $108,000.

Management and Administration Section:

The mission of the Environment and Natural Resources Division has expanded greatly over the past few years. This rapid growth in program responsibility has taxed the Division's management and administrative capacities. The Management and Administration Section, therefore, requests an additional 4

positions and $156,000 to address the workload generated by the increase in automated litigation support, to monitor the $17,000,000 spent by the newly-created Expert Witness Unit and to handle other administrative functions for the Division.

Civil Division:

Unlike the Department's affirmative litigation efforts that frequently top the political agenda, our defensive efforts in claims against the Federal Government rarely receive recognition. Yet, the success of our attorneys in the Civil Division's Commercial Litigation Section, who have defeated an average of 97 percent of the monetary claims brought against the Federal Government over the past five years, saves the Treasury millions of dollars annually.

The Section's defense in the A-12 stealth fighter contract termination case demonstrates the complexity of the litigation handled, the demand on Section resources and the enormous damages at stake. The A-12 case is the largest contract default suit ever brought against the Federal Government, with the plaintiffs seeking a total of $2.7 billion in damages. The national security concerns, the highly technical subject matter, the need to review millions of pages of documents in discovery and the grueling pace of the litigation have exhausted the Commercial Litigation Section's resources. Skillful presentation of the Government's case, involving hundreds of witnesses and thousands of exhibits, will require teams of support personnel for each component of the defense. Therefore, the Civil Division is

requesting a program increase of $3,215,000 for additional ALS costs necessary to prepare the Government's defense in the A-12 contract termination case.

The Civil Division is also requesting an increase of 7 positions for its Management and Administration Section. The Division plans to replace private contractor personnel currently performing computer programming, system design work and accounting functions with lower cost Division employees. Internalizing these functions will result in estimated savings to the Division of $71,000 in 1995 and $143,000 when fully implemented in subsequent years.

Finally, reflecting its active participation in the Department's Border Security Plan, the Civil Division requests 58 positions and $4,700,000 to support litigation resulting from appeals of administrative immigration decisions. This funding request is not part of the GLA program enhancement but will come from the Crime Control Fund, pending decision under separate legislation.

National Childhood Vaccine Injury Compensation Program:

The Department is also requesting 6 additional reimbursable workyears and a $1,000,000 increase in reimbursement authority for the defense of claims under the National Childhood Vaccine Injury Compensation Program. Since the beginning of the Vaccine Program in 1986, 4,500 cases have been filed against the Secretary of the Department of Health and Human Services, and over 1,500 have been resolved. Increasing the Vaccine Program's

reimbursable authority will enable the Civil Division to meet new mandatory disposition deadlines governing thousands of claims filed in 1991 while still addressing the new cases being filed. Despite Congressional intent to provide sufficient resources for the Vaccine Program through the Trust Fund, the Civil Division has supplemented the Vaccine Program's reimbursable authority with 16 workyears and associated funding from its own appropriation to reduce the backlog of cases.

Solicitor General's Office:

The Solicitor General's Office is seeking $258,000 to fill one previously authorized but unfunded position and to continue to employ two clerks to assist the Office's attorneys in preparing recommendations and briefs. The Department also requests a restoration of one position and $89,000 to maintain current staff levels in the Solicitor General's Office.

Effect of Administration's Position & Administrative Reductions:

Considering the current fiscal climate, the Attorney General remains just as committed to the Department's contribution to reducing government waste and bureaucracy as she is to the Department's program enhancements. Therefore, like all organizations within the Department, the GLA components have contributed to the Administration's permanent position, workyear and administrative reductions intended to make the Federal Government function more efficiently and cost-effectively.

Overall, the GLA components have reduced their operations by a total of 60 positions, 71 workyears and $9,229,000, including $3,269,000 in administrative reductions.

Permanent Position and Workyear Reductions:

To meet the personnel levels established by the Administration, the Department requests a reduction of 60 positions, 71 workyears and $5,960,000 to the GLA appropriation. The Department has spread these reductions across GLA as follows: 1 position, 1 workyear and $89,000 from the Office of the Solicitor General; 16 positions, 22 workyears and $1,512,000 from the Tax Division; 12 positions, 12 workyears and $1,020,000 from the Criminal Division; 16 positions, 16 workyears and $1,545,000 from the Civil Division; 7 positions, 10 workyears and $690,000 from the Environment and Natural Resources Division; 1 workyear and $47,000 from Office of Legal Counsel; 7 positions, 8 workyears and $977,000 from the Civil Rights Division; and 1 position, 1 workyear and $80,000 from INTERPOL.

Administrative Reductions:

Similarly, the Department requests a decrease of $3,269,000 to reduce GLA administrative expenses to assist in controlling the Federal deficit and to improve the Federal Government's administrative productivity. The Department has spread these reductions across GLA as follows: $44,000 from the Office of the Solicitor General; $476,000 from the Tax Division; $606,000 from the Criminal Division; $944,000 from the Civil Division; $427,000 from the Environment and Natural Resources Division; $30,000 from the Office of Legal Counsel; $472,000 from the Civil Rights

Division; $51,000 from INTERPOL and $219,000 from the Legal Activities Office Automation Fund.

Locality Pay Absorption:

Lastly, the Department requests program decreases totalling 8 positions, 8 workyears and $2,599,000 in 1995 to absorb the expense of locality-based pay costs within GLA accounts. The decreases are spread as follows: $40,000 from the Office of the Solicitor General; $428,000 from the Tax Division; $580,000 from the Criminal Division; $740,000 from the Civil Division; $330,000 from the Environment and Natural Resources Division; $31,000 from the Office of Legal Counsel; $417,000 from the Civil Rights Division; and $33,000 from INTERPOL. To meet its locality-based pay obligations, the Criminal Division also seeks a reduction of 8 positions and 8 workyears, which is reflected as an adjustment to its 1995 base resources.

Inevitably, these reductions will impact the daily operations of the litigating divisions, which are personnel-intensive. Their effect, however, will not result in weaker enforcement efforts. On the contrary, these reductions will compel the litigating divisions not only to reprioritize but, more important, to maximize division resources -- to hire and retain the most qualified attorneys and support staff, to assume additional workload where necessary, and to rely more extensively on automation. As fiscal resources are tightened, the challenge for these divisions will be to "do more with less" -- to maintain their tenacious investigative and enforcement efforts with either constant or shrinking bottom-lines.

Compensation Appropriations:

Having discussed the Department's litigation efforts, I would now like to turn to the Department's efforts to satisfy specific Congressional mandates by providing redress to certain classes of citizens through the Civil Liberties Public Education Fund and the Radiation Exposure Compensation Trust Fund.

Civil Liberties Public Education Fund:

As you are aware, the Civil Liberties Act of 1988 authorized $20,000 payments to Japanese-Americans whom the Federal Government evacuated, relocated or interned during World War II. The Civil Liberties Act Amendments of 1992 increased the total authorization for this program from $1.25 billion to $1.65 billion.

With the redress portion of this program coming to a close, I would like to emphasize how effectively the Civil Rights Division's Office of Redress Administration (ORA) has managed this program. ORA, working in conjunction with the Japanese-American community, fielded hundreds of telephone and written inquiries regarding eligibility per month over the past four years. Driven by the importance of its mission, ORA has strived to disburse within the first few months of each fiscal year nearly 100 percent of the annual funding limitation made available to the Civil Liberties Public Education Fund appropriation. As a measure of the program's success to date, ORA has made over 79,000 redress payments on behalf of the Federal Government, totalling $1.58 billion.

Although the redress component of the Civil Liberties Act is virtually complete and does not require additional funding in 1995, the legislative intent of the Civil Liberties Act has yet to be completely fulfilled. For this reason, the Department is requesting $5,000,000 (pursuant to section 106(b) of the Civil Liberties Act of 1988) to fund educational activities pertaining to the evacuation and internment of Japanese-Americans. While a nine-member board appointed by the President would make the actual funding decisions, we envision that the additional funding would be used to publish hearings conducted by the Commission on Wartime Relocation and Internment of Civilians (CWRIC), to reprint and to disseminate CWRIC's final report and to establish a curriculum materials program for high schools. These educational programs are critical to commit to our national memory not only our wartime legacy, but also our realization of the indignity that racial prejudice inflicts on our fellow Americans. Moreover, it should be noted that the $5,000,000 currently requested is considerably lower than the $50,000,000 that Congress initially authorized when the Civil Liberties Act was passed.

Radiation Exposure Compensation Trust Fund:

Now, I would like to discuss the current Radiation Exposure Compensation Program, which offers monetary compensation to individuals exposed to radiation during above-ground nuclear tests and uranium mining.

Under the Radiation Exposure Compensation Act of 1990 (as amended by the National Defense Authorization Act of 1991), the Attorney General is responsible for disbursing Trust Fund payments to individuals who developed specified diseases because of their exposure to radiation. Payments are authorized as follows: $50,000 to individuals who lived down-wind of nuclear test sites, $75,000 to individuals who participated in on-site atmospheric nuclear tests, and $100,000 to individuals who worked in uranium mines.

Over the past three years, the Civil Division has administered all aspects of this program on behalf of the Attorney General. The Division's responsibilities have included publicizing the compensation program, issuing regulations and processing and paying approved claims. The Civil Division has launched several initiatives to improve customer service to potential claimants, including an automated telephone line to expedite service, the development and use of straight-forward, non-technical claim forms to facilitate the filing process, and outreach programs to assist Native-American claimants.

Since the level of approved claims has not exhausted the Trust Fund's initial appropriations, the Department is seeking no additional resources for the Trust Fund in 1995. Between 1992 and 1993, a total of $200,750,000 was appropriated for the Trust Fund. In 1993, the workload totalled 2,897 claims, comprised of 1,557 claims pending from 1992 and 1,340 new filings. The Civil Division resolved 2,165 of these claims, making payments totalling $67,000,000 for 943 approved claims. At the start of

1994, the Trust Fund balance was $126,320,000. The Civil Division anticipates making payments of $71,000,000 on 727 approved claims in 1994 and payments of $37,500,000 on 492 approved claims in 1995. It should be noted that the estimated number of claims that will be approved in 1994 and 1995 has increased since the President's Budget was submitted. Based on the new estimates, the Trust Fund would have an available balance of $17,820,000 in 1996.

Claims for compensation from the Trust Fund have continued to decline over the past three years. The Civil Division attributes the decrease to two sources. First, many eligible on-site claimants have determined that they would receive greater benefits from the compensation program administered by the Department of Veterans' Affairs and, therefore, have chosen not to seek compensation from the Trust Fund. Second, Navajo Indian uranium miners have encountered some difficulty in providing the documentation required for claim approval. In addition to outreach efforts specifically targeted to assist these potential claimants, Assistant Attorney General Hunger is working with Native Americans to develop and to implement improvements to the Program's claim filing process.

Radiation Exposure Compensation Administrative Expenses:

In 1995, the Department is also seeking $2,655,000 for Radiation Exposure Compensation Administrative Expenses. This request includes a program decrease of $13,000 to reflect the declining number of claims.

Conclusion:

Mr. Chairman, the Department's requests for the General Legal Activities, Civil Liberties Public Education Fund, Radiation Exposure Compensation Trust Fund and Radiation Exposure Compensation Administrative Expenses appropriations reveal both the Department's plan to expand its enforcement efforts in well-defined areas and its commitment to fulfill its duties as the Nation's litigator most efficiently and cost-effectively.

I have completed my prepared remarks and will be pleased to respond to any questions that you or the other members of the Subcommittee may wish to ask.

IMPACT OF CRIME BILL ON CRIMINAL DIVISION

Mr. MOLLOHAN. Thank you, Ms. Gorelick.

Did you get an opportunity to review the Crime Bill, either as it came out of the Senate or as it is moving through the House, and make any judgments about its impact on the Criminal Division?

Ms. GORELICK. Yes. We are following that issue daily. The Administration's proposal has undergone changes, as you know, as the bill has moved through the Senate and the House. We are reviewing the different possible impacts on the Criminal Division of different versions of the bill.

Mr. MOLLOHAN. Understanding that it is changing and going to change, can you give us some idea of what kind of impact you expect?

Ms. GORELICK. Well, let me say this; I need to give you an answer both with respect to fiscal year 1995 and fiscal year 1996. As you know, with respect to fiscal year 1995, our proposals with respect to the Crime Bill reflect mostly increases in State and local assistance.

We hold FBI and DEA constant; we increase funding for prisons and then we would have approximately $300 million for other uses beyond the community policing and the initiatives that I just mentioned. These resources will enable us, to deal with the period of time after the Crime Bill is passed and until we get to fiscal year 1996.

With respect to the fiscal year 1996 budget, we will then know what the contours of the Crime Bill are; we will use that intervening period to whatever obligations and requirements we have for 1996, and we will right-size. The problem that we have, quite frankly, is that if the Crime Bill passes in really any of its dimensions, it will mean a very substantial increase percentage-wise in our budget and in our FTEs. And until we know what the precise contours of the bill are, we cannot really right-size for the Criminal Division.

CRIME TRUST FUND

Mr. MOLLOHAN. Would you expect to receive any additional resources as a result of the Crime Trust Fund?

Ms. GORELICK. In fiscal year 1995?

Mr. MOLLOHAN. Yes.

Ms. GORELICK. For the Criminal Division?

Mr. MOLLOHAN. Yes.

Ms. GORELICK. Well, again, we would have to look at precisely what the contours of the bill are. There is an amount of $300 million—$303 million actually in the budget to meet a wide variety of possible programmatic needs.

REQUEST FOR NEW POSITIONS

Mr. MOLLOHAN. You requested 7 new positions in the Civil Division and 11 positions in the Civil Rights Division is that correct—administrative duties that are currently contracted out?

Ms. GORELICK. Yes.

Mr. MOLLOHAN. What functions will these perform?

Ms. GORELICK. In the Civil Division, we would be bringing in-house bookkeeping functions and computer programming, and in the Civil Rights Division essentially filing, file clerks, computer programmers and, interestingly enough, geographers.

Mr. MOLLOHAN. Why are you doing it by bringing those functions in-house? Doesn't that fly in the face of the President's mandate to reduce FTEs?

Ms. GORELICK. We have two mandates. One is to bring the budget down and the other is to bring FTEs down.

Mr. MOLLOHAN. And you made a determination that it is cheaper to bring it in-house than to contract it out?

Ms. GORELICK. With these particular items. We are still contracting out in the Civil Rights Division. We have litigation support that is contracted out; administratively, we have mail functions and maintenance functions that are contracted out. What we have tried to do is look in detail at each function and see which is best performed inside and which is best performed outside.

Mr. MOLLOHAN. And you are making that kind of an analysis with regard to everything under your jurisdiction?

Ms. GORELICK. Yes.

Mr. MOLLOHAN. And you have done it with regard to this?

Ms. GORELICK. Yes.

Mr. MOLLOHAN. It would be interesting to see that, as a side by side. Could you submit for the record that analysis with regard to these particular functions?

Ms. GORELICK. Yes.

[The information follows:]

Cost-Savings Derived from In-House Employees

With respect to the 11 positions in the Civil Rights Division (2 computer programmers, 4 geographers/GIS assistants and 5 mail/file clerks), we compared the cost of contracting for the services and compared it to the estimated cost of bringing the positions in house. We believe that, for these positions, it is cheaper to bring them in house. A copy of this analysis is attached; it has been revised to reflect the current salary and wage rates, and uses estimates for training and overhead costs. The net savings have increased slightly from the original projection.

Civil Rights Division Analysis

Contracting Cost:

	Number of Positions	Contracted Hourly Rate	Hours Worked/Year	
Georgraphers	4	$24.85	1,700	$168,980
File Clerks	5	$24.85	1,700	$211,225
Computer Programmers	2	$125.00	1,100	$275,000
	Total Cost for Contracting Positions			$655,205

Cost to Hire Positions:

		Salary	Benefits	Total
Geographers (GS-7 Step 4)	4	$26,045	$7,814	$135,434
File Clerks (GS-4 Step 4)	5	$18,794	$5,638	$122,161
Programmers (GS 14 Step 4)	2	$64,926	$19,478	$168,808
		Subtotal, Wages & Benefits		$426,403
		Training Costs		$25,000
		Overhead Costs Assume $7,500/employee		$82,500
	Total Cost for Hiring Positions			$533,903
			SAVINGS	$121,302

The Civil Division began to research its 1995 budget request in the aftermath of elections and the public fury over the Federal deficit. We looked at a variety of ways to reduce administrative costs, in search of options that would minimize possible adverse impacts on productivity. We first looked at cuts to investments in labor saving technology, (eg. automated legal research, office automation, automated litigation support) and found the potential for significant consequences with respect to productivity and performance. We then re-examined our contracted-out activities and found we could cut costs without affecting adversely any aspect of our mission. While "contracting in" is contrary to the Administration's workyear reduction objectives, it supports the over-arching goal -- to reduce the cost of doing government business while continuing to provide suitable government service.

Throughout the 1980's the Civil Division contracted out most administrative functions that fell within the commercial services umbrella defined by OMB Circular A-76. With a decade of experience behind us, we believed it was time to go back and see if the expected savings continue to materialize. We looked at a subset of our commercial functions -- those functions which are strictly administrative, permanent, repetitive and which are not subject to fluctuations in workload. Functions, such as Automation Litigation Support (ALS) for major litigations, which exhibit huge and unpredictable swings in resource needs are not considered good candidates for "contracting in".

Documentation of the research described in the 1995 request is given below.

Computer Programming: The programs of the Civil Division's Case Management System are modified continually to ensure the system is responsive to its users and its ever-changing environment. New activities such as those implementing the Radiation Exposure Compensation Act; new tracking requirements, such as the need to account for banking cases and resources -- all require programming changes. While the programming had been accomplished successfully with contractors, we found that the same function could be performed more cheaply with government staff.

Currently, the contractor staff occupy government-leased facilities, use government equipment; the government pays for this overhead as well as the contract costs. Because the facilities and equipment are the same regardless of whether we contract out or perform the function in-house, we compared only those costs which will vary -- contact cost versus salaries and benefits. Specifically, we compared costs for two contract employees as negotiated with the contractor, CRM Technologies, with the cost of one GS-11 and one GS-12. By substituting government employees at the same site, total costs will drop.

	1995	1996
CRM Technologies Costs:		
Full Year	**$148**	**$154**
In-house Option:		
CRM Tech.	$ 74[1]	-0-
Personnel Costs:		
GS-12	27	54
GS-11	23	46
Subtotal	$ 50	$100
Total in-house costs	**$124**	**$100**
Savings	**$ 24**	**$ 54**

Accounts Maintenance: This function, contracted-out in 1985, includes the following activities: recording obligations against appropriated funds; handling trust fund payment records; processing bills against prior obligations; maintaining files of obligation and payment documents; and collecting and distributing payroll documents such as the time and attendance sheets and leave and earnings statements. While this arrangement has been successful in safeguarding and controlling the Civil Division's monetary resources, the same functions could be performed at a lower cost if the operation were to be shifted to in-house performance.

As with the programming function, the contractor staff of IMS Inc. occupy government-leased facilities and use government equipment. To compare costs, it is necessary only to contrast the contract rates for 5 contractors with the salaries and benefits of 5 comparably-graded government employees. We found significant savings could be achieved, especially in the first full year of implementation, which would be 1996:

	1995	1996
IMS Costs:		
Full Year	**$257**	**$257**
In-house option:		
IMS Inc.	$128[2]	-0-

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[1] We assume we will have a 6-month lapse in 1995 with respect to bringing in the employees. This will require 6 months of continued contract service in 1995.

[2] Ibid.

In-house Personnel Costs:		
2 GS-4s	$ 21	$ 44
1 GS-7	15	31
1 GS-9	18	38
1 GS-12	28	55
Subtotal	$ 82	$168
Total In-house costs	$210	$168
Savings	$ 47	$ 89

Files Maintenance for Childhood Vaccine Injury program. Depending on the particular litigation requirements, Civil Division attorneys have three options for managing case files. For small and very active cases, attorneys maintain the records in their own offices. More often, the litigation records are held by the Division's active records units (ARU's), located in or near Branch space. However, some large case families have such vast and complex records requirements that the Division uses the Automated Litigation Support (ALS) contractor to establish and maintain the central master file of case documents. The use of ALS for fast-moving cases with massive document collections has proven very successful in managing case files in such records control applications as the Mariel Cuban Repatriation and Parole Program and more recently, the Childhood Vaccine Injury Program.

Over the course of a few days in 1990, no less than 3,000 petitions were filed under the National Childhood Vaccine Injury Act, creating a logistical nightmare for the small staff assigned to this program. ALS was the only means available at the time which could readily handle the crisis. The contractors quickly established a central repository for all petition-related files and created a corresponding data base to track the adjudication process. Effective petition processing procedures were developed so that coordination of petition review between HHS and the Civil Division could be accomplished within court-imposed deadlines. The initial push, establishing the central repository and building an on-line petition management tracking system, required a 24-member contractor team. This immediate provision of tailored systems and high-volume services enabled the Childhood Vaccine attorneys to stay a step ahead of opposing counsel in these swiftly moving litigations.

In the ensuing years, the character of files management in support of the Childhood Vaccine Injury Program has changed. Files must be maintained on the backlog of pending cases, while tracking focuses mainly on the active cases. Recognizing the opportunity to streamline the files operations and reduce costs, the Civil Division began a pilot program to have a portion of the more routine activities performed by the Childhood Vaccines Staff instead of ALS contractors. The success of the pilot effort convinced the Civil Division to convert support for the activated Childhood Vaccines Injury cases from contractor to Government staff. The files

associated with the pending cases (those cases not yet activated by the court) will be managed by the ARU.

The cost comparison which formed the basis for the 1995 request for additional reimbursable workyears assumed that to replace the ALS staff, seven term employees will be assigned to manage the files for the activated cases and take over the data base maintenance function. Inactive cases would continue to be maintained in the ARU which is staffed with personnel employed by our records contractor. Based on the analysis which follows, "contracting in" the active files management function would save at least $49,000 annually.[3]

The chart on the next page provides the documentation upon which our cost comparison was made.

Contracted file management:

ALS contract costs	**$452,000**

In-house Option[4]:

Personnel:	
3 GS-5s	$164,000
1 GS-7	61,000
2 GS-6s	65,000
1 GS-9	39,000
S/T	$329,000

Records Mgt.:
Annual contract = $1,596,432
/ # of sections of records 178,850
= cost per section of $8.93

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[3] Please note that the cost comparison analysis assumed that 7 government people would be hired to replace the ALS contractors while the budget requests an increase of 6 reimbursable FTE. Seven was considered to be the maximum number of staff that would be required; while the projected savings of $49,000 was considered to be an absolute minimum.

[4] These in-house costs include space and equipment rental, in contrast to the proceeding analyses. This is because the ALS contractor incurred some facility and equipment costs unlike our programming and accounts maintenance contractors. Taking over this function requires the government to incur more costs than just the salaries and benefits of the new employees.

Inactive Vaccine case files est. at 2,000 with 2 sections per case = 4,000 sections Cost = $8.93 X 4,000	$ 36,000
Facilities:	
Rent = $83.00 X 460 sq. ft.	38,000
Total in-house costs	$403,000
Total Savings	$ 49,000

VACCINE INJURY COMPENSATION TRUST FUND

Mr. MOLLOHAN. What is causing the increased litigation in the Vaccine Injury Compensation Trust Fund and your request for an enhancement of $1 million, and I guess it is seven FTEs.

Ms. GORELICK. Yes. Originally the Civil Division was to be reimbursed in the amount of approximately $4 million to handle these claims. As it turned out, the Civil Division only received reimbursement of $2 million, and so we have sought an additional $1 million to help make up the difference. The Special Master has been referring more and more of these claims to the Civil Division and we have a very substantial backlog at the moment.

ENVIRONMENT REQUEST

Mr. MOLLOHAN. With regard to the environment division, you propose an almost 20 percent increase in the staffing for the environment and natural resources division.

Ms. GORELICK. Yes.

Mr. MOLLOHAN. Justify that for us—is that reasonable given the kind of budgetary constraints we are confronted with?

Ms. GORELICK. I would be happy to do that.

Of the 78 positions that we are seeking in this budget, 52 are for defensive purposes. The liabilities imposed on our Federal facilities and other obligations imposed by Congress require us to have greater defensive resources.

Those are obligations and manpower needs that we don't control. Those are controlled by the types of liability that Congress indicates we, the Federal Government, should be responsible for. The remaining 26 positions are for enhanced civil and criminal enforcement. This area of preserving the environment is a very high priority for this administration, and this is a division that has been flat in its resources for the last four years.

INTERNATIONAL LITIGATION

Mr. MOLLOHAN. What is your role in international litigation, and if you will, what is responsible for the increase in that area?

Ms. GORELICK. There are a number of enforcement obligations that we have, including enforcement of the laws and treaties prohibiting the importation of endangered species, the importation and exportation of hazardous waste, and even in the area of enforcement of NAFTA, cross-border environmental enforcement responsibilities. It is that area that is described as our international environmental program.

Mr. MOLLOHAN. Can you talk in a bit about what those responsibilities are and what the increases will allow you to do?

Ms. GORELICK. On that one I would defer to our representative from the Environment Division, Mr. Flint. Would you care to pose the question to him?

Mr. MOLLOHAN. Sure.

If you could just talk about that in greater detail?

Mr. FLINT. Surely.

These are all areas that are sort of growing. The issue of the importation and the concern about the importation of endangered species, threatened species, either as declared by the Congress, trea-

ties of origin or by virtue of treaties that have been entered into by the United States, is a growing concern.

This is a major business. People importing these species in this country sell them for extremely large amounts of money, and we have an active criminal program working with the Fish and Wildlife Service, which takes a great deal of our time.

Mr. MOLLOHAN. It is a growing problem?

Mr. FLINT. It is a growing problem, because of the potential profits that can be made by the illegal importation of these products and their sale in the United States is great.

Mr. MOLLOHAN. What is an example?

Mr. FLINT. Well, we have a major program that is ongoing right now where we have indictments brought in Los Angeles, Phoenix, Chicago, New York, and Miami, where there was a large program for importing birds from Southeast Asia and from South America, which would come into the United States market and be sold for substantial quantities of money.

Mr. MOLLOHAN. You say the problem is growing?

Mr. FLINT. It seems to be a burgeoning business.

Mr. MOLLOHAN. How do you measure that? How do you know it is growing?

Mr. FLINT. Well, we seem to be bringing more cases in this area, Congressman.

Mr. MOLLOHAN. Okay. Is the problem growing or are you becoming more aggressive in the area?

Mr. FLINT. Well, I think it is perhaps a little bit of both. Certainly we are being more aggressive, working with the Fish and Wildlife Service in undercover operations to uncover this kind of activity which we know is in existence.

Mr. MOLLOHAN. Are they calling on you with greater frequency, the Fish and Wildlife people?

Mr. FLINT. Yes, we certainly are working with them very closely.

Mr. MOLLOHAN. My question was, are they calling on you with greater frequency, in addition to whoever else might be calling on you?

Mr. FLINT. They are the primary agency that deals with this problem and they are the primary enforcement agency that we work with on this kind of problem, and yes, they are calling on us with greater frequency.

Mr. MOLLOHAN. Thank you.

JUSTIFYING REQUESTED INCREASES

Mr. Rogers?

Mr. ROGERS. Thank you, Mr. Chairman.

General Gorelick, congratulations.

Ms. GORELICK. Thank you very much, sir.

Mr. ROGERS. Welcome.

We have seen you around here before.

Ms. GORELICK. Yes, you have.

Mr. ROGERS. We wish you well. You have a lot of work ahead of you.

Now, we have had all of the law enforcement agencies up here; the FBI, the DEA, the U.S. Attorneys, INS, OCDE task forces, and so on, and all of them are taking big hits, if we agree with their

requests, which I hope we do not. We will be several hundred FBI agents fewer than we had two years ago. Several hundred DEA agents would be cut, a big cut in the OCDE and U.S. Attorneys.

In fact, if we go along with the recommendations of the OMB, over the last two years from 1993 through 1995, if we go along with it, there would be a net fewer FBI agents of 234, and 1,100 support; DEA would lose 840 people, OCDE would lose 260 some people. We would have 474 fewer U.S. Attorneys.

I mean, huge slashes in the crime-fighting efforts around the country at a time when, one, we are experiencing unprecedented growth in violent crime, and two, with the Congress downstairs amending bills even as we speak that would greatly federalize a lot of crimes, and a huge increase in workload in the crime department. And yet, you are asking for, for example, 85 new positions in the Environmental Division, a 20 percent increase; 72 new FTEs in the Civil Rights Division, and extra money for Civil Liberties Public Education, extra monies for this, that, and so forth.

How can we justify that to a public which is clamoring for us to beat crime? The ultimate civil right is your right to live. And I am afraid that ultimate civil right is what is on the minds of most of our people today.

Ms. GORELICK. Let me try to answer your question in two ways: First, let me begin by saying that this administration's commitment to the anti-crime effort is an extraordinary one. We have been working every day around the clock to achieve passage of the Crime Bill and to put 100,000 new police on the streets of our cities and towns across America.

We understand your questions about the implications of some of the versions of the Crime Bill for Federal law enforcement. The initial initiative on the part of this administration, was to achieve additional resources for State and local law enforcement because that is where most of the criminal justice effort in this country is and must be. Nevertheless, there is a very important role in criminal justice enforcement for the Federal Government, and we have tried in this budget very hard to balance the many, many competing interests that there are.

Now, with respect to the agents. Most of the reduction, or much of the reduction that you refer to was between 1993 and 1994 where our ability to fund FTEs was reduced because of the additional locality pay. That was a decision that Congress made. We are dealing with it, and we are dealing with it in the FBI by transferring 600 agents from behind desks to the field. And we believe, and I believe that Director Freeh believes, that this move will enhance the FBI's ability to address and to fight crime.

With respect to obligations and initiatives that may be reflected in the Crime Bill as ultimately passed, as I said to the Chairman, once we see the contours of that bill, we will know how to right-size the Department of Justice. The pendency of the Crime Bill poses a single challenge for someone like me who has overall responsibility for the budget process and the management process within the Department of Justice because the Crime Bill and the Crime Trust Fund have such potential significant impact on the mission and the scope of the mission of the Department of Justice.

So on the one hand, I will say that we will use fiscal year 1995 as a bridge year, once we see what the Crime Bill ultimately is, to determine what, if any, additional resources are needed in the Criminal Division, the U.S. Attorney's offices and our investigative agencies.

The U.S. Attorneys are losing in this budget only 62 positions, less than one for each office. We believe that will not affect in any material way our ability to address crime. We are reprogramming and reorienting our FTEs and our assets to be as efficient as possible.

Now, with respect to the other side of the ledger, we are, it is true, enhancing or asking to enhance the capabilities of our Environmental Division. Most of that is defensive; the United States Government has obligations imposed on it by Congress that we need to defend. And that is not something that we control.

Similarly, in the Civil Rights Division, we have motor-voter legislation to enforce and we have voting rights obligations that need to be addressed.

Mr. ROGERS. Well, I think a lot of people would differ with you on your priorities insofar as your allocations of funds between fighting violent crime and motor-voter registration, for example. So we won't dwell upon that, but suffice it to say that you will have cut from the FBI 1,366 people, agents and support people, and some 840 people from the drug wars. I have a personal difference with your choice of priorities.

Now, you are proposing a 20 percent increase in staffing for the Environment and Natural Resources Division; is that a reasonable increase, given our overall budget situation? After all, not to mention the crime fighting aspects that we have just talked about, the overall budget situation. The subcommittee is trying to allocate funds between your Department, the State Department, the Commerce Department, the Courts, and U.N. and peacekeeping operations. Any dollar we give you we have to take off somebody else.

And I just wonder, is this something you have gone through the fire on, this request?

Ms. GORELICK. Well, let me say, you are talking about 78 positions in total, of which 52 are defensive. If you don't defend against a Federal facilities action, or you don't defend well, you put the taxpayers' money at risk.

ALLOCATION PRIORITIES FOR FUNDING

Mr. ROGERS. But what has increased the caseload all of a sudden?

Ms. GORELICK. The passage of the Federal Facilities Act. I can speak from personal experience that the Defense Department which has a lot of these Federal facilities, the Federal Government is now a defendant in actions which it never was before. This was a judgment made by Congress, and it would be penny-wise and pound-foolish for us not to have the resources to adequately defend claims because ultimately the American taxpayers pay those claims.

GROWTH IN CIVIL RIGHTS CASELOAD

Mr. ROGERS. Now, you are also requesting an enhancement of 47 positions to allow you to reduce the number of pending civil rights criminal investigations. What has caused that growth in caseload?

Ms. GORELICK. Actually, that is not quite right. The number of positions needed to reduce the number of pending civil rights criminal investigations is four. The other positions requested within the Civil Rights Division are 22 to enforce the Americans with Disabilities Act, which as you know, is a relatively new civil rights law; eight for voting rights, including the motor-voter law, and the Language Assistance Act which, as you know, provides for balloting in foreign languages; and 11 positions to bring in-house previously contracted out work which we believe effects a savings. Those are the allocations of that overall increase.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

Mr. ROGERS. Now, you are requesting $5 million to fund educational activities, which as I understand it, are designed to prevent a reoccurrence of the internment and evacuation of Japanese Americans during World War II. Is that an accurate description?

Ms. GORELICK. Yes. I think that is a description of the Civil Liberties Public Education Fund.

Mr. ROGERS. Now, please explain that to me, what is that going to be used for?

Ms. GORELICK. Well, as I understand it, I wasn't here at the time, but in 1988, Congress authorized the expenditure of $50 million as part of the process of addressing the——

Mr. ROGERS. We made them——

Ms. GORELICK. No, no.

I am sorry, $50 million for the public education part of it; we have reduced that to $5 million to live up to the commitment that was made as part of that Act.

Mr. ROGERS. Has a board been appointed to administer that program yet?

Ms. GORELICK. No, not yet.

Mr. ROGERS. How can we decide how to spend those monies if we don't have a board to set those priorities?

Ms. GORELICK. Well, it is a little bit of a "chicken and egg" situation. If you don't have the funding for the board, then you can't have a board and staff which are necessary to determine and propose how to spend the money. And it is our view that you need to set up the board so that the board can develop proposals with respect to the expenditures.

Mr. ROGERS. This is to educate us not to inter Japanese-American citizens again?

Ms. GORELICK. Well, I think Congress, in its consideration of this, decided that we needed to do whatever was necessary to ensure our awareness of what led us to do that, so that it would not happen again. I don't believe that Congress was intending the education to be quite that narrowly focused but rather to take that problem as a starting off point.

Mr. ROGERS. Can't we put this money into the FBI to fight crime if we ensure that we won't take such actions again?

Ms. GORELICK. As I say, sir, we are as interested in a "lean and mean" budget as you are. This is an item that arose out of a congressional authorization in 1988, which was for an awful lot more money; as I say, $50 million. And I guess I would have to address that question back to this body.

JOINT CONSOLIDATED OFFICE NETWORK

Mr. ROGERS. Now, last year the Department stated that a contract award for the Joint Consolidated Office Network was scheduled for June of 1994, first installation in September of 1994; is that project on schedule?

Ms. GORELICK. No, it is not. The schedule has slipped approximately nine months. Proposals are now due in May. The RFP went out last October.

Mr. ROGERS. And again, last year, you estimated JCON funding requirements for this year, for 1995 would be $34.2 million. Is the $22.6 million in your fiscal year 1995 request for legal activities office automation, is that what that is for?

Ms. GORELICK. No. A very small part of that money is to conduct a procurement. The rest of that money is not related to JCON.

Mr. ROGERS. Are there other funds requested for JCON?

Ms. GORELICK. No.

Mr. ROGERS. Okay. Is the $34.2 million estimated requirement for JCON still valid?

Ms. GORELICK. I would have to defer on that.

Mr. COLGATE. Yes, it is. What we are requesting the funding for in 1995 is to do three things: First, contract administration for the JCON procurement; second is essentially to preposition ourselves, to modernize some of our personal computers and other items that we had bought earlier for some of our organizations of the AMICUS contract or within the Antitrust Division, to essentially bring them up to speed so that when JCON is awarded in the fourth quarter of fiscal year 1995, and we have some modest orders against it. We will sort of be prepositioned, you know, to essentially initiate the JCON proposal.

The bulk of the money in 1995 will be used to essentially upgrade existing capabilities so that when JCON arrives they will mesh together.

Mr. ROGERS. And what happens if you don't get the money?

Mr. COLGATE. It will cause us difficulties in this transition, especially from our existing systems in the JCON, and we are concerned about how old some of this equipment is that we are using right now, given the fact that this technology changes radically, you know, every 18 months. So we are quite concerned about our litigators and the automation tools that they would have.

Mr. ROGERS. Tell me, what is the JCON?

Mr. COLGATE. Essentially, the JCON is the final phase of getting all of our litigating components on the same system. Right now we have succeeded in having all of the U.S. Attorneys, the Criminal Division, the Tax Division and our senior policy offices on a system called EAGLE. Its sister system, which was actually awarded, I believe, in 1986, is called AMICUS. And these two systems can talk back and forth to each other, although AMICUS, because of its age, does have some technical limitations, but we are upgrading those.

The antitrust system had a totally separate system which years ago was a Wang-based system. Instead of running three separate procurements, JCON is sort of the umbrella, so that once and for all, all of our litigating components in the Department of Justice will be using this one approach.

We have done quite a good job in getting these systems to talk to each other and to functionally appear the same. Instead of running separate procurements, we will essentially be running one under the umbrella JCON. So we have them all converging at the same point under this one procurement umbrella.

Mr. ROGERS. How far along would this $34 million take you?

Mr. COLGATE. Well, for fiscal year 1995, we looked at the bulk of the money to position us for JCON. We estimate that the JCON procurement over its life cycle could approach somewhere in the area, and I have to be careful I don't get into procurement-sensitive information, about a half a billion dollars, $500 million.

I believe that our EAGLE contract to give you an idea of a similar system, is approximately $200 million. But this will take us from 1995 through the turn of the century. So that is why we estimate the figure to be that high. It also folds in the existing AMICUS contract in our efforts in the Antitrust Division.

We are also looking at potentials of the U.S. Trustee Program which is under a separate system as well.

Mr. ROGERS. But this $34 million would not even get you into the JCON system; it just sort of holds your own until you get JCON——

Mr. COLGATE. Well, basically it would allow us to buy PCs, the latest, state-of-the-art PCs and some other related equipment, and it would allow us to begin the initial orders in the fourth quarter of fiscal year 1995 for JCON. I can give the committee a split of what we would estimate the 1995 funding so you can see how it is broken down.

Mr. ROGERS. That would be helpful if you would do that.

Mr. COLGATE. Yes, sir.

Mr. ROGERS. And ma'am, if you could supplement that perhaps with a fresh update of where we are on JCON, what it would do and how long it is going to take to do it, what it will require financially to get there.

Ms. GORELICK. Certainly.

Mr. ROGERS. Give us a quarter's worth on JCON.

Ms. GORELICK. We will, even a half dollar.

Mr. ROGERS. Thank you very much.

Ms. GORELICK. My pleasure.

[The information follows:]

Distribution of Funds for Legal Activities
Office Automation Activity

The Administration's 1995 budget requests $22,609,000 for the Legal Activities Office Automation (LAOA) activity. This amount is composed of $15.8 million for JCON-related costs and $6.8 million for other office automation activities. Of the funds requested for the Justice Consolidated Office Network (JCON), $7.1 million is requested for purchases that will prepare component organizations for JCON implementation, $8.2 million is requested for purchases directly related to JCON implementation, and $535,000 is requested for the administrative costs of the JCON procurement. The non-JCON funds in the request are intended to modernize existing automation systems, including upgrading backbone networks, workstations and other equipment on the EAGLE network.

Update on JCON Procurement

The JCON procurement is proceeding at a deliberate pace. The question and response phase between DOJ and the offerors concluded on May 2, 1994. The deadline for the submission of proposals is May 26, and the evaluation of the proposals is expected to continue through December 1994. At that time, the offerors will be asked to submit their "Best and Final" offers. Under this scenario, we anticipate that contract award will occur in May 1995.

JCON Capabilities

JCON is intended to update and unify the existing office automation systems that serve the legal activities--principally, EAGLE and AMICUS. Like these systems, JCON is designed to furnish staff with an integrated desktop tool that will increase their productivity and maintain their competitiveness in the increasingly high-tech legal environment. Through personal computer workstations, staff will be provided with access to a networked word processing facility, legal information databases, electronic mail, a calendar management tool, and other computer applications.

Implementation Plan

JCON implementation will proceed along two complementary tracks: 1) a seven year system integration contract; and 2) a series of shorter life cycle (2-3 years) commodity contracts. The system integration contract will define the overall architecture and provide for the purchase of backbone systems, design and engineering services, facilities management services, installation, maintenance, and training. The commodity contracts will provide for the acquisition of current, commercial off-the-shelf hardware and software components at competitive prices. Present plans call for completing the replacement of the existing office automation networks by December 1998. However, inasmuch as JCON is designed to be continually upgraded to stay current with the advancing technology, major invest-

ments in system improvements will continue over the entire course of the contract.

System Financing

The maximum spending level set by the General Services Administration for the JCON contract is $643 million, consisting of $521 million for the seven-year System Integration contract and $122 million for the initial round of commodity contracts that will be used to acquire system components. The actual cost of JCON, however, is expected to be far less than these maximum amounts. Current estimates amount to $393.2 million, over the seven-year life of the contract. Funding for the project will come from a variety of sources, including the LAOA activity in the General Legal Activities appropriation. In addition to the LAOA activity, the participating organizations will be obliged to apply to the JCON project funds from their base program that have been used in the past for other office automation and automated data processing purposes. A program increase, or increases, may be necessary to cover the cost of the JCON project, but none are planned at this time.

OFFICE OF SPECIAL COUNSEL

Mr. MOLLOHAN. Mr. Moran?

Mr. MORAN. Thank you, Mr. Chairman.

A couple of things I want to get into. First, the Office of Special Counsel. There was a $3 million amount that was—that the Appropriations Committees instructed you to transfer to the Office of Special Counsel, and your budget this year shows that you only transferred $900,000. When are you going to transfer the other $2.1 million?

Ms. GORELICK. I do not know the answer to that question.

Mr. MORAN. What is the story there?

Mr. ROPER. The story, sir, is that when you authorized it, the source of those monies was the Legalization Fee Account in the Immigration Service related to the old legalization program that started in 1986. Literally, that source of funding is drying up.

There is some workload that is going to continue in the Immigration Service through 1994 and 1995, and we did not want to draw down so far and leave nothing for the very purpose that people paid the fees for in the first place, and that is to go through the legalization process. So that is why the estimate was dropped.

I think we passed $3 million for two years. This year, we are only estimating $900,000. There is another, roughly, $1 million in the Office of Special Counsel's appropriation that was provided, probably back in 1991, and it has stayed in the base.

It was originally added by the Senate, but it is also for this same purpose of public education, public information. So there is a little over $900,000.

Mr. MORAN. That is being used for that purpose?

Mr. ROPER. That would be used for the public education outreach, those grant programs that the Office of Special Counsel manages.

USE OF FUNDING BY OFFICE OF SPECIAL COUNSEL

Mr. MORAN. Well, I think we need to see how it is that you are meeting the requirement of the Appropriations Committee specifically so we can see where that money goes. I am concerned, too, in the way in which what money is being transferred is being used.

It seems that last year there was an agreement that there ought to be a balance between alerting of employees of their rights and alerting employers of their responsibilities. From what I gather, there is now—we have decided that we are going to emphasize the employee rights section, perhaps to the virtual exclusion of the employer responsibility part of it?

Ms. GORELICK. This is Deval Patrick.

Mr. MORAN. Oh, you are Mr. Patrick.

Mr. PATRICK. That sounds like an invitation to answer your question. I could step out if you want me to.

Mr. MORAN. Oh, contrare. Why don't you warm up with this one.

Mr. PATRICK. Let me tell you what I understand after not quite two-and-a-half weeks on the job. There is still today a balance in the Office of Special Counsel, which is newly acquired in the Civil Rights Division, of emphasis between information to employees about their rights and employers about their responsibilities.

The largest single effort on the employer side has been a toll-free number that employers can call which we fund and which we staff through the Office of Special Counsel. Employers can ask questions about what their responsibilities are under the relevant legislation.

On the employee side, because the employee population is indeed harder to reach, or the sense has been that they are harder to reach through the availability of an 800 number, there have been at least some radio ads and perhaps some television ads as well.

Mr. MORAN. Some. You blanketed the radio stations in the Washington area with this business of making sure every illegal immigrant is aware that they—that employers can't discriminate against them, at least that is the impression that is left. I know that is not what you would say the ad does. I want to look more into those ads.

Why you chose to spend as much as is being spent on those ads—in fact, I would even like to see where they are running, how often, what you are being charged, if you are using the public advertising council, really it is—we are hearing a whole lot about the Immigration and Naturalization Service and where we are hearing it is from employers saying, boy, I didn't realize that the Clinton Administration is going to crack down on me if I don't hire illegal aliens. Because that is not the signal I am sure that you want to give.

Mr. PATRICK. I don't think that is the signal we are giving, but I would be very interested to know about employers who feel that is the signal they are getting. I think the intended signal is for the relevant population of lawful workers to know that they have a right to not to be discriminated against on the basis of factors which have absolutely nothing to do with the lawfulness of their ability to work.

Mr. MORAN. They are being discriminated against because of their race, their color, their language, their ethnic origin; anything like that I would trust that you would clamp down real hard.

Mr. PATRICK. Sure.

Mr. MORAN. But if an employer is nervous about hiring illegal aliens and we have made them very nervous about that, because we have cracked down on stores, particularly restaurants, then it is not unreasonable to expect those employers to be particularly sensitive and ask for documentation, and the criteria that are cited are oftentimes the reason they ask for documentation, only to determine that they are legal. And I don't know why you chose the Washington metropolitan area. I assume that you couldn't possibly afford to put these ads all over the rest of the country. But we can get into that to a greater extent.

Mr. ROGERS. Will the gentleman yield on that point?

Mr. MORAN. I would be happy to, Mr. Rogers.

Mr. ROGERS. Are those ads public service announcements or are they paid ads?

Ms. GORELICK. No. They are public service announcements. We are using the money in this fund, which is a very small amount, actually, to leverage the donation of air time and the donation of production. We can get you some more particulars on it.

I also understand that you raised this concern earlier, Mr. Moran, I have been given some of the transcripts of the ads for your information, and we will provide you a fuller report.

Mr. MORAN. Good.

[The information follows:]

Office of Special Counsel Public Education Grant Program

The public education grants program was funded through the Immigration and Naturalization Service (INS) Legalization Account from 1992 through 1994. The following is a break down by year of the amount of funding the public education grants program received:

1991 - $1,200,000
1992 - $3,000,000
1993 - $3,000,000
1994 - $ 900,000

From 1990 through 1994, OSC has also expended more than $1 million per year from appropriated funds for its national public education contract which includes the national media campaign. In 1994, these funds also include $300,000 for public education grants specifically aimed at educating employers in discrimination prone industries.

Each fiscal year, OSC awards grants to nonprofit organizations throughout the country to conduct public education programs about the rights afforded to potential victims of employment discrimination and the responsibilities of employers under the anti-discrimination provisions of the Immigration Reform and Control Act (IRCA). Currently, the proposals are competitively rated by an outside panel, and the Special Counsel makes a final selection from the top scorers.

In 1993, OSC received 186 proposals for funding. From these, 24 proposals were awarded grants to conduct grassroots public education campaigns. Most of the proposals selected for funding (17 out of 24) targeted both employees and employers for Section 102 education. Following is a list of the 1993 OSC grantees, their total grant award and the percentage of their award spent on employer directed outreach (the remainder going toward employee directed outreach):

Allocation of 1993 Grant Resources

1993 Grantees	Award Amount	Employer Outreach	
Arab American-Chaldean Council (Michigan)	$100,000	$ 50,000	(50%)
Asian Pacific American Legal Center (California)	$150,000	$ 45,000	(30%)
Casa Aztlan (Illinois)	$150,000	$ 15,000	(10%)
Catholic Charities Beaumont (Texas)	$ 83,194	$ 45,756	(55%)
Catholic Charities Dallas (Texas)	$150,000	$ 90,000	(60%)

Catholic Charities San Diego (California)	$140,000	$ 2,800	(2%)
Catholic Family Services (Texas)	$ 73,353	$ 36,676	(50%)
Catholic Social Services (New Mexico)	$ 75,000	$ 37,500	(50%)
Central American Refugee Center (District of Columbia)	$ 89,000	$ 22,250	(25%)
Coalition for Humane Immigrant Rights of Los Angeles (California)	$143,700	$ 21,555	(15%)
Chicago Coalition for Immigrant & Refugee Protection (Illinois)	$150,000	$ 7,500	(5%)
Friendly House (Arizona)	$145,745	$ 72,872	(50%)
Little Havana Development Corp. (Florida)	$134,430	$ 67,215	(50%)
Massachusetts Immigrant & Refugee Advocacy Coalition	$ 89,830	$ 0	(0%)
Metro. Assistance (TAS/VSA) (New York)	$141,445	$ 70,722	(50%)
Michigan Migrant Legal Assistance	$ 82,055	$ 24,615	(30%)
National Immigration Law Center (California)	$150,000	$ 15,000	(10%)
New York Immigrant Coalition	$ 75,000	$ 0	(0%)
Northern Manhattan Coalition (New York)	$149,930	$ 89,958	(60%)
Northwest Immigrant Rights Project (Washington)	$140,760	$ 35,190	(25%)
Organization of Chinese Americans (District of Columbia)	$150,000	$ 75,000	(50%)
La Raza Centro Legal (California)	$149,318	$ 74,659	(50%)
Service Employees International Union (District of Columbia)	$136,557	$ 13,656	(10%)

United Protestant Appeal/SHARE (Florida)	$150,000	$ 7,500	(5%)
TOTAL	$2,999,317	$920,424	(31%)

Additional OSC Public Education Initiatives

In its effort to further meet its public education responsibilities under IRCA and as a complement to the public education grants program, OSC also uses funds from the appropriation (Immigration and Naturalization Act §274B) to pursue various additional public education initiatives.

For example, although many of OSC's 1993 grantees public education campaigns include an employer directed component, OSC was concerned that there was a lack of high volume professional seminars designed to reach immigration-related discrimination prone industries. Thus, OSC awarded an additional $300,000 from its appropriation funds to three employer-oriented organizations to develop and conduct customized employer seminars across the country. The organizations that are conducting these programs and their target industries are: American Council on International Personnel (hotel/motel); National Restaurant Association (restaurant); National Council of Agricultural Employers (agriculture).

Also in fiscal year 1993, OSC awarded a five-year contract to a private concern to spend up to $12,000,000 to complement the outreach activities undertaken under the grants program. OSC expended $800,000 under the first year of this contract for outreach activities including the development and dissemination of employer and employee oriented anti-discrimination education materials, as well as radio and television announcements. The breakdown by target audience of this expenditure is $420,412 for employer materials and $379,588 for employee materials.

On an ongoing basis, OSC publishes and disseminates a Monthly Bulletin for its grantees and State Legalization Impact Assistance Grants (SLIAG) contacts. The purpose of the bulletin is to inform grantees of, and solicit their input on, developments within the office and our national outreach campaign efforts. It is also intended to improve our total outreach effort by enhancing the cooperation and communication among the various grantees and with our national outreach contractor. The Monthly Bulletin supplements the OSC quarterly newsletter, **OSC Update**, which is disseminated to the general public in addition to the grantees and SLIAG contacts.

During the 1993-94 winter months, OSC initiated a campaign to promote "Memoranda of Understanding" (MOU's) between OSC and State and local human rights agencies throughout the country. The MOU's are very basic referral agreements aimed primarily at gaining the opportunity to increase awareness among State and local government personnel of OSC and IRCA's

anti-discrimination provisions. These contacts are important because we do not have field offices and we do not have local grantee organizations in every state. Further, many of our constituents, for various reasons, are not likely to contact the Federal Government directly. Often the State or local government office will be their first, and only, point of contact. Thus, the MOUs help further inform the public about IRCA's anti-discrimination provision and prevent these potential victims from "slipping through the cracks."

The MOU campaign seeks to both update the 26 existing agreements and to establish new ones by contacting 115 additional civil rights enforcement agencies around the country. OSC has received a favorable response in both categories. In fact, many Washington Metropolitan Area civil rights enforcement agencies are currently considering draft agreements, including the Fairfax Human Rights Commission.

The final means by which OSC meets its public education responsibilities is its "Speakers Bureau," which involves our own staff attorneys appearing and conducting outreach at numerous presentations across the country throughout the year. OSC has been working on creating a "network" of various relevant public and private organizations around the country which OSC attorneys can visit when in their area to answer questions or provide educational materials, etc. Recently, the regional and State offices of the Department of Labor's Monitor Advocates Program were informed of the opportunity to obtain OSC attorneys for training sessions and/or speaking engagements and were added to the OSC network list.

Office of Special Counsel's Public Education Media Campaign

The national media campaign is orchestrated by a private contractor, Walcoff & Associates, and is supported through appropriated funds. So far this year the campaign included the inauguration of an automated employer hotline (1-800-255-8155, TDD 1-800-362-2735) aimed at combatting employer confusion over IRCA. In conjunction with the opening of the hotline, OSC ran television, radio and print media advertisements in California, Texas, Florida, New York, Illinois and Washington, D.C. OSC ran employee directed advertisements in these states, as well. The same "spots" were also distributed nationwide as public service announcements.

On March 14 and 17, 1994, a video news release (VNR) on IRCA's anti-discrimination provision and the new employer hotline was broadcast by satellite. Advisory of the VNR, including date and time, was sent to 750 television outlets throughout the country. Essentially a prepackaged "news" story, VNRs are used by stations during their news programming. Additionally, an audio news release (ANR) lifted from the VNR was sent to 200 radio outlets.

OSC's national public information campaign also utilized print media by placing a series of employer and employee directed advertisements in business journals and newspapers throughout the above-mentioned target states. Customized employer advertisements for the various trade publications were also developed and placed. All of the print advertisements were then also nationally disseminated as public service announcements.

The total cost of the media campaign was $548,309. The cost of the employer directed campaign was $245,407 and the cost of the employee directed campaign was $302,902. Detailed information regarding the cost of the campaign by market, medium and target population is attached. Also attached are the scripts/texts of each advertisement along with information regarding where and when they were aired or published.

Paid advertisements are an important component of OSC's public education strategy. OSC attempts to obtain as much exposure as possible through no-cost public service announcements (psa's). Included in the attachments mentioned above are the psa distribution lists as well as the reactions the contractor has received to them thus far. However, sole reliance on psa's is ineffective because stations usually air public service announcements at hours when viewers or listeners are scarce. Paid advertisements guarantee that our message will be seen or heard at peak hours when our maximum target audience is watching or listening. Further, our contractor makes a practice of encouraging those stations from which it purchases advertising to also run the "spot" as a psa. Finally, purchasing large amounts of advertising time entitles OSC to volume discounts.

On April 25-29, 1994, OSC conducted focus groups in Los Angeles and Houston, to test reaction to our March media blitz, the new printed materials and the employer hotline. An overall evaluation of this entire media campaign will be submitted to OSC by the contractor within the month.

To the extent possible, grant recipients attempt to obtain maximum exposure through no-cost public service markets. Nevertheless, because the effectiveness of those adds is limited by a number of factors, including the time that the spot airs and the consequent audience, media purchases are a vital component of the public education strategy.

EMPLOYER TELEVISION

"Right Away"

WORKER TELEVISION

"Julia"

Employer Television

U.S. Department of Justice
Office of Special Counsel

Title: "Right Away"
Time: 30 seconds

Man: When I give a job interview, I can tell if someone doesn't have the right work papers. It's the way they look and talk.

VO: Not hiring someone because you assume they're undocumented.

VO: . . . is discrimination.

Man: And I always make 'em show me a green card. I don't care what else they have.

VO: Several documents can prove a right to work. Requiring specific ones is illegal.

Man: I'm just doing my duty as an American, right?

VO: No. What this owner is doing is against the law. Know the rules about employment discrimination.

Worker English
Television

U.S. Department of Justice
Office of Special Counsel

Title: "Julia"
Time: 30 seconds

Two months ago I called about a job. They didn't want to see me. I'm sure it was because of my accent.

But I went there anyway. They asked to see my green card. I didn't have one. But I showed other documents that proved I have a right to work.

They said they were no good. But I knew they were. So I stood up for myself. I filed a charge and, finally, they gave me the job.

I stood up for my family.
I have the right to work. And no one can take that away.

OSC MEDIA BUY SUMMARY
SPRING 1994
Employer Television

Advertisement: "RIGHT AWAY"

Market	Station	Dates of Flight	Ads Per Station
Washington	WRC-Channel 4 (NBC)	March 1-March 31	15
Washington	WJLA-Channel 7 (ABC)	March 15-March 31	15
Washington	WTTG-Channel 5 (Fox)	March 15-March 31	15
Washington	NewsChannel 8 Cable	March 1-March 31	15

ENGLISH EMPLOYER TV "Right Away", Worker TV "Julia" (Sent 19 PSAs)

KAZQ-TV, Channel 32
Albuquerque, NM

Cable News Network (CNN)
Atlanta, GA

WDCA-TV, Channel 20
Bethesda, MD

KDAF-TV, Channel 33
Dallas, TX

KDFI-TV, Channel 27
Dallas, TX

KDFW-TV, Channel 4
Dallas, TX

WFAA-TV, Channel 8
Dallas, TX

KTSM-TV, Channel 9
El Paso, TX

KVIA-TV, Channel 7
El Paso, TX

KGMB-TV, Channel 9
Honolulu, HI

CNN - Cable News Network
Los Angeles, CA

KEYC-TV
North Mankato, MN

KSAT-TV, Channel 12
San Antonio, TX

WBZ-TV, Channel 4
Boston, MA

KVEO-TV, Channel 23
Brownsville, TX

WGN-TV, Channel 9
Chicago, IL

KKMPH-TV, Channel 26
Fresno, CA

KTSP-TV, Channel 10
Phoenix, AZ

WWOR-TV, Channel 9
Secaucus, NJ

PSA RESPONSE AS OF APRIL 26, 1994

ENGLISH TV "Right Away" (Employer), "Julia" (Worker)

CONTACT	COMMENTS	A.Q.H.	ESTIMATED MEDIA AUDIENCE
KAZQ-TV, Channel 32 Albuquerque, NM	Airing 6x weekly March through Dec.94.	N/A	1,000,000
WDCA-TV, Channel 20 Bethesda, MD	Received spot sent 2/94 and has been running september spot, they'll now run only new version. Have been running ad at least 2x weekly since September.	N/A	85,000
KVEO-TV, Channel 23 Brownsville, TX	"We will hold for possible future use."	N/A	50,000
WSNS-TV, Channel 44 Chicago, IL	Sent Spanish worker TV March 21.	N/A	100,000
KDVR-TV, Channel 31 Denver, CO	"Right now we are airing only local PSAs. Thanks anyway."	N/A	100,000
KTSM-TV, Channel 9 El Paso, TX	Airing until further notice.	N/A	40,000
KVIA-TV, Channel 7 El Paso, TX	Airing 50x from now through October 1, 1994.	N/A	30,000
KGMB-TV, Channel 9 Honolulu, HI	Not airing spot, only running local PSAs or national PSAs with localized numbers.	N/A	150,000

CONTACT	COMMENTS	A.Q.H.	ESTIMATED MEDIA AUDIENCE
KRON-TV, Channel 4 San Francisco, CA	Airing spot until further notice, "we have also run Julia/Right Away from 9/93."	N/A	211,000
WWOR-TV, Channel 9 Secaucus, NJ	Airing 5x weekly through July '94.	N/A	300,000

* A.Q.H.: Estimated number of listeners during an average 15 minutes of programming.

* N/A: Information not available.

WORKER TELEVISION

SPANISH

"Julia"

Worker Spanish
Television

U.S. Department of Justice
Office of Special Counsel

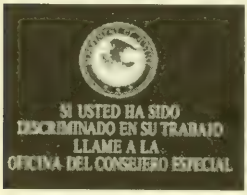
Title: "Julia"
Time: 30 seconds

Hace dos meses, llamé por teléfono para un trabajo. No me querían ver. Creo que fue porque hablo el inglés con un acento.

Pero fui de todas maneras. Lo primero que me pidieron fue ver mi green card. No la tenía. Pero les presenté otros papeles. Tengo permiso de trabajo.

Me dijeron que no eran válidos. Pero si son. Me quejé, y por fin, me dieron el trabajo.

Protegí a mi familia.
Yo tengo derecho a trabajar. Y nadie me lo puede quitar.



OSC MEDIA BUY SUMMARY
SPRING 1994
Worker Television–Spanish

Advertisement: "JULIA"

Market	Station	Dates of Flight	Ads Per Station
Listed Below	TELEMUNDO	March 1-March 31	Telemundo Total: 32
New York	News 6:30p-7p		
	Novela 7-8p		3
			3
Houston	News 5:30-6p		3
	Novela 7-8p		3
San Francisco	News 6:30-7p		2
	Novela 8-9p		2
Los Angeles	News 6:30-7p		4
	Novela 8-9p		4
Chicago	News 5:30-6p		2
	Novela 7-9p		2
Miami	News 6:30-7p		2
	Novela 7-8p		2
Listed Below	UNIVISION	March 1-March 27	Total Ads: 14
New York	News M-F 6-7P		3
Houston	News M-F 6-7P		2
San Francisco	News M-F 6-7P		2
Los Angeles	News M-F 6-7P		3
Chicago	News M-F 6-7P		2
Miami	News M-F 6-7P		2
Listed Below	UNIVISION	March 28-April 8	Total Ads: 25
New York	News M-F 6-7P		5
Houston	News M-F 6-7P		5
San Francisco	News M-F 6-7P		5
Los Angeles	News M-F 6-7P		5
Miami	News M-F 6-7P		5

SPANISH TV "Julia" (Sent 64 PSAs)

KLUZ-TV, Channel 41
Albuquerque, NM

KXKS-AM, 1190
Albuquerque, NM

WBZ-TV, Channel 4
Boston, MA

XHAB-TV, Channel 7
Brownsville, TX

WSJU-TV, Channel 18
Carolina, PR

WCIU-TV, Channel 26
Chicago, IL

WGN-TV, Channel 9
Chicago, IL

KDJ-TV, Channel 68, Telemundo
Corpus Christi, TX

KORO-TV, Channel 28
Corpus Christi, TX

KUBD-TV, Channel 59
Denver, CO

KVAW-TV, Channel 16
Eagle Pass, TX

KINT-TV, Channel 26
El Paso, TX

XHIJ-TV, Channel 44
El Paso, TX

XHRIO-TV
El Paso, TX

K11SF-TV, K49AY-TV, K54CQ-TV
Evergreen, CO

W42AJ-Channel 42
Falls Church, VA

KFTV-TV, Channels 2, 21
Fresno, CA

KMSG-TV, Channel 59
Fresno, CA

KUVN-TV, Channel 23
Garland, TX

KVEA-TV, Channel 52
Glendale, CA

KGBT-TV, Channel 4
Harlingen, TX
W13BF/WGSBX
Hartford, CT

WKAQ-TV, Canal 2
Hato Rey, PR

Telemundo News Network
Hialeah, FL

WSCV-TV, Channel 51
Hialeah, FL

KMEX-TV
Hollywood, CA

KHNL-TV, Channel 13
Honolulu, HI

KTFH-TV, Channel 49
Houston, TX

KTMD-TV 48
Houston, TX

KXLN-TV
Houston, TX

KFWD-TV, Channel 52
Irving, TX

KCEC-TV, Channel 50
Lakewood, CO

KCEC-TV, Channel 50
Lakewood, CO

KLDO-TV Channel 27
Laredo, TX

KSTV-TV, Channel 57
Los Angeles, CA

KWHY-TV
Los Angeles, CA

Prime Ticket Network
Los Angeles, CA

K46CS
Lubbock, TX

WNJX-TV
Mayaguez, PR

WOLE-TV
Mayaguez, PR

WORA-TV
Mayaguez, PR

WLTV-TV, Channel 12
Miami, FL

W46AR
Milwaukee, WI

KREN
Modesto, CA

KSMS-TV67
Monterey, CA

WNJU-Channel 47
New York, NY

WWRV-AM 1330
Paterson, NJ

WTGI-TV, Channel 61
Philadelphia, PA

KTVW-TV
Phoenix, AZ

KCSO-TV, Channel 19
Sacramento, CA

KVDA-TV, Channel 60
San Antonio, TX

KWEX-TV, Channel 41
San Antonio, TX

Greystar One/XHBJ
San Diego, CA

XEWT-TV
San Diego, CA

KBHK-TV, Channel 44
San Francisco, CA

KDTV, Channel 14
San Francisco, CA

KSTS
San Jose, CA

WAPA-TV, Channel 4
San Juan, PR

WLII-TV, Canal 11
Santurce, PR

XHAS-TV
Shula Vista, CA

W48AW
Silver Spring, MD

W61BL-TV, Channel 61
Tampa, FL

KTBW - Channel 52
Tucson, AZ

KHR-14
Tuscon, AZ

Channel 51
Victoria, TX

PSA RESPONSE AS OF APRIL 26, 1994

ENGLISH TV "Right Away" (Employer), "Julia" (Worker)

CONTACT	COMMENTS	A.Q.H.	ESTIMATED MEDIA AUDIENCE
KAZQ-TV, Channel 32 Albuquerque, NM	Airing 6x weekly March through Dec.94.	N/A	1,000,000
WDCA-TV, Channel 20 Bethesda, MD	Received spot sent 2/94 and has been running september spot, they'll now run only new version. Have been running ad at least 2x weekly since September.	N/A	85,000
KVEO-TV, Channel 23 Brownsville, TX	"We will hold for possible future use."	N/A	50,000
WSNS-TV, Channel 44 Chicago, IL	Sent Spanish worker TV March 21.	N/A	100,000
KDVR-TV, Channel 31 Denver, CO	"Right now we are airing only local PSAs. Thanks anyway."	N/A	100,000
KTSM-TV, Channel 9 El Paso, TX	Airing until further notice.	N/A	40,000
KVIA-TV, Channel 7 El Paso, TX	Airing 50x from now through October 1, 1994.	N/A	30,000
KGMB-TV, Channel 9 Honolulu, HI	Not airing spot, only running local PSAs or national PSAs with localized numbers.	N/A	150,000

CONTACT	COMMENTS	A.Q.H.	ESTIMATED MEDIA AUDIENCE
KRON-TV, Channel 4 San Francisco, CA	Airing spot until further notice, "we have also run Julia/Right Away from 9/93."	N/A	211,000
WWOR-TV, Channel 9 Secaucus, NJ	Airing 5x weekly through July '94.	N/A	300,000

* A.Q.H.: Estimated number of listeners during an average 15 minutes of programming.

* N/A: Information not available.

OSC MEDIA BUYS
Summary of February and March 1994 Flights

Campaign Audience	Market	Media Name	Type	Dates of Flight	Average Ad Cost	Flight Total #	NET GRAND TOTAL
Los Angeles Market							
Employer	Los Angeles	KBIG-FM/KNX (CBS Radio)	Radio	March 1-27	$386.75	20	$7,735
Employer	Los Angeles	Los Angeles Business Journal	Print	March 7-28	$2,090	4	$8,360
Worker	Los Angeles	KLAX/KXED/KKHS (Katz)	Radio	March 1-31	$722.51	45	$32,512
Worker	Los Angeles	FM SEOUL (formerly KCB)	Radio	March 15-April 15	$30	90	$2,700
Worker	Los Angeles	Radio Korea	Radio	March 15-April 15	$70	90	$6,300
Worker	Los Angeles	Korea Central Daily	Print	March 1-March 31	$315	10	$3,150
Worker	Los Angeles	Korea Times	Print	March 1-March 31	$378	10	$3,780
Worker	Los Angeles	La Prensa	Print	March 3-March 24	$375	4	$1,500
Worker	Los Angeles	Telemundo		March 1-March 31			
		News 6:30-7p	TV		$913.78	9	$8,224
		Novela 8-9p	TV		$1,020	9	$9,180
Worker	Los Angeles	Univision		March 1-27			
		News M-F 6-7P	TV		$1,105	3	$3,315
Worker	Los Angeles	Univision		March 28-April 8			
		News M-F 6-7P	TV		$1,088	5	$5,440
Total for Los Angeles Market: $92,197							
San Francisco Market							
Employer	San Francisco	KCBS-AM (CBS)	Radio	March 1-27	$217.81	32	$6,970
Employer	San Francisco	San Francisco Business Journal	Print	March 7-28	$1,246	3	$3,738
Worker	San Francisco	KBRG/KLOK (Katz)	Radio	March 1-31	$153	45	$6,885
Worker	San Francisco	Sing Tao Daily	Print	March 1-March 31	$216	6	$1,296
Worker	San Francisco	Sing Tao Weekly	Print	March 1-March 31	$90	10	$900
Worker	San Francisco	Newcomer News	Print	March 4-April 22	$85	8	$680

OSC MEDIA BUYS
Summary of February and March 1994 Flights

Campaign Audience	Market	Media Name	Type	Dates of Flight	Average Ad Cost	Flight Total #	NET GRAND TOTAL
Worker	San Francisco	El Bohemio	Print	March 1-March 31	$575.75	4	$2,303
Worker	San Francisco	El Mensajero	Print	March 2-March 23	$439.25	4	$1,757
Worker	San Francisco	Telemundo		March 1-March 31			
		News 6:30-7p	TV		$510	9	$4,590
		Novela 8-9p	TV		$574	9	$5,166
Worker	San Francisco	Univision		March 1-27			
		News M-F 6-7P	TV		$850	2	$1,700
Worker	San Francisco	Univision		March 28-April 8			
		News M-F 6-7P	TV		$850	5	$4,250
Total for San Francisco Market: $40,235							
California Market							
Trade	California	AgAlert	Print	May 4-June 22	$1,766.38	8	$14,131
Trade	California	California Landscaping	Print	May-July	$1,028.67	3	$3,086
Trade	California	California Inn Annual	Print	May-July	$347.33	3	$1,042
Trade	California	California Manufacturer	Print	Summer-Winter	$1,350	3	$4,050
Trade	California	Western Grower & Shipper	Print	May-July	$752.33	3	$2,257
Worker	California	International Daily News	Print	March 1-31	$319	10	$3,190
Worker	California	Chinese Daily News	Print	March 1-March 31	$243.60	10	$2,436
Worker	California	Nguio Viet	Print	March 1-March 31	$105	10	$1,050
Worker	California	World Journal	Print	March 1-March 31	$204	10	$2,040
Worker	San Francisco/ San Jose/ Los Angeles	Asian Media Sales includes: KEST-AM/KOBO-AM KBAX/KMAX/MAXX-FM KBLA-AM; KSJX-AM	Radio	March 1-April 15	$51	312	$15,912
Total for California Market: $49,194							
New York Market:							
Employer	New York	WCBS-AM (CBS)	Radio	March 1-27	$308.13	32	$9,860
Employer	New York	Crain's New York Business	Print	March 7-28	$2,631.75	4	$10,527
Worker	New York	WSKQ-AM/FM (Katz)	Radio	March 1-31	$476	45	$21,420
Worker	New York	Chinese American Voice	Radio	March 1-March 31	$15.30	90	$1,377

OSC MEDIA BUYS
Summary of February and March 1994 Flights

Campaign Audience	Market	Media Name	Type	Dates of Flight	Average Ad Cost	Flight Total #	NET GRAND TOTAL
Worker	New York	Chung Wah	Radio	March 1-March 31	$24	90	$2,160
Worker	New York	Korea News	Print	March 1-March 31	$350	10	$3,500
Worker	New York	World Journal	Print	March 1-March 31	$264	10	$2,640
Worker	New York	China Press	Print	March 1-March 31	$150	10	$1,500
Worker	New York	United Journal	Print	March 1-March 31	$350	10	$3,500
Worker	New York	Sing Tao Daily	Print	March 1-March 31	$150	10	$1,500
Worker	New York	Diario/La Prensa	Print	March 1-March 31	$460	6	$2,762
Worker	New York	El Especial	Print	March 2-March 23	$535.50	4	$2,142
Worker	New York	Telemundo					
		News 6.30p-7p	TV		$765	9	$6,885
		Novela 7-8p	TV		$1,190	7	$8,330
Worker	New York	Univision		March 1-March 27			
		News M-F 6-7P	TV		$680	3	$2,040
Worker	New York	Univision		March 28-April 8			
		News M-F 6-7P	TV		$680	5	$3,400
Total for New York Market: $83,543							
Chicago Market							
Trade	Illinois	Farmweek	Print	May 2-June 6	$1,211.17	6	$7,267
Employer	Chicago	WXRT-FM/WSCR-AM (CBS)	Radio	March 1-27	$199.75	32	$6,392
Employer	Chicago	WBBM-AM (CBS)	Radio	March 1-27	$231.09	32	$7,395
Employer	Chicago	Crain's Chicago Business	Print	March 7-28	$2,096	4	$8,384
Worker	Chicago	WIND/WOJO (Katz)	Radio	March 1-31	$183.60	45	$8,262
Worker	Chicago	WVVX-FM	Radio	March 1-April 15	$30	90	$2,700
Worker	Chicago	Chosun Daily News	Print	March 1-March 31	$169	10	$1,690
Worker	Chicago	El Exito	Print	March 1-March 31	$504	5	$2,520
Worker	Chicago	Telemundo		March 1-March 31			
		News 5:30-6p	TV		$446	9	$4,014
		Novela 7-9p	TV		$595	9	$5,355

OSC MEDIA BUYS
Summary of February and March 1994 Flights

Campaign Audience	Market	Media Name	Type	Dates of Flight	Average Ad Cost	Flight Total #	NET GRAND TOTAL
Worker	Chicago	Univision		March 1-March 27			
		News M-F 6-7P	TV		$383	2	$766
Total for Chicago Market: $54,745							
Washington, DC Market							
Employer	Washington	WTOP-AM	Radio	March 1-28	$50	120	$6,000
Employer	Washington	Washington Business Journal	Print	March 7-28	$1,125	4	$4,500
Employer	Washington	WRC-Channel 4 (NBC)	TV	March 1-31	$378	15	$5,674
Employer	Washington	WJLA-Channel 7 (ABC)	TV	March 15-31	$425	15	$6,375
Employer	Washington	WTTG-Channel 5 (Fox)	TV	March 15-31	$552.53	15	$8,288
Employer	Washington	NewsChannel 8 Cable	TV	March 1-31	$127.53	15	$1,913
Worker	Washington	WMDO-AM (Katz)	Radio	March 1-31	$47.60	45	$2,142
Worker	Washington	WUST-AM	Radio	March 15-April 15	$47	90	$4,230
Worker	Washington	Wash. China Post	Print	March 4-May 6	$150	10	$1,500
Worker	Washington	World Journal	Print	March 1-March 31	$99	10	$990
Worker	Washington	Hoa Thinh Don Viet Bao	Print	March 1-March 31	$40	10	$400
Worker	Washington	El Pregonero	Print	April 14	$275	1	$275
Total for Washington, DC Market: $42,287							
Texas Market							
Employer	Texas	Texas Statenet	Radio	March 1-31	$500	30	$15,000
Trade	Texas	Texas Builder	Print	May 1-October 1	$755	3	$2,265
Trade	Texas	Texas Agriculture	Print	May 6-June 23	$1,188	3	$3,564
Trade	Texas	Industry Update	Print	April 25-May 23	$740	3	$2,220
Employer	Houston	Houston Business Journal	Print	March 7-28	$982	4	$3,928
Worker	Houston	KLAT/KLTN (Katz)	Radio	March 1-31	$136	45	$6,120
Worker	Houston	Ngay Nay News	Print	March 1-April 30	$140	10	$1,400
Worker	Houston	Buena Suerte (La Información)	Print	March 4-March 25	$525	4	$2,100
Worker	Houston	La Voz	Print	March 2-March 23	$357	4	$1,428
Worker	Houston	Telemundo		March 1-March 31			
		News 5:30-6p	TV		$255	8	$2,040

OSC MEDIA BUYS
Summary of February and March 1994 Flights

Campaign Audience	Market	Media Name	Type	Dates of Flight	Average Ad Cost	Flight Total #	NET GRAND TOTAL
		Novela 7-8p	TV		$340	9	$3,060
Worker	Houston	Univision					
		News M-F 6-7P	TV		$553	2	$1,106
Worker	Houston	Univision					
		News M-F 6-7P	TV		$553	5	$2,765
Total for Texas Market: $46,996							
Miami Market							
Employer	Miami	WIOD-AM/WFLC-FM	Radio	March 1-31	$141.67	30	$4,250
Employer	South Florida	South Florida Business Journal	Print	March 7-28	$1,356	3	$4,068
Worker	Miami	WAQI/WRTO	Radio	March 1-31	$255	45	$11,475
Worker	Miami	El Nuevo Herald	Print	March 6-March 27	$1,260	4	$5,040
Worker	Miami	Diario Las Americas	Print	March 2-March 27	$882	10	$8,820
Worker	Miami	Telemundo		March 1-March 31			
		News 6:30-7p	TV		$807	9	$7,263
		Novela 7-9p	TV		$1,190	10	$11,900
Worker	Miami	Univision					
		News M-F 6-7P	TV		$829	2	$1,658
Worker	Miami	Univision					
		News M-F 6-7P	TV		$828.80	5	$4,144
Total for Miami Market: $58,618							
National Market							
Worker	National	Asian American Quarterly	Magazine	Summer, Fall, Winter issues	$1,435.33	3	$4,306
Trade	National	Services	Print	May-July	$799	3	$2,397
Trade	National	Constructor	Print	May-July	$1,125	3	$3,375
Trade	National	CASI Report	Print	Summer-Fall	$300	3	$900
Trade	National	Grounds Management Forum	Print	May-Oct.	$148.67	3	$446
Trade	National	Nation's Business	Print	June-August	$12,869	3	$38,607
Trade	National	Maintenance Journal	Print	May-Oct.	$306	3	$918

OSC MEDIA BUYS
Summary of February and March 1994 Flights

Campaign Audience	Market	Media Name	Type	Dates of Flight	Average Ad Cost	Flight Total #	NET GRAND TOTAL
Trade	National	Automotive Rebuilder	Print	June-Sept.	$2,018.75	4	$8,075
Trade	National	ABC Today	Print	May 1-June 3	$778	3	$2,334
Trade	National	AutoInc.	Print	May-July	$690	3	$2,070
Trade	National	Skylines	Print	May-July	$926	3	$2,778
Trade	National	The Fabricator	Print	May-July	$1,696	3	$5,088
Trade	National	Lodging Magazine	Print	June-Oct.	$1,530	6	$9,180
Total for National Market: $80,474							
Campaign Total: $548,289							

Ms. GORELICK. But the two that I have been given focus on the employer. That is, it is telling the employer to know the rules for hiring, and obviously would alert as well the population of individuals who are legally able to work. We will provide you with the transcripts as well as a description of the program and how it is funded and the ways in which we get contributions.

VOTING BLOCK OF AFRICAN-AMERICAN COMMUNITIES

Mr. MORAN. Please do that. Because people have the impression, and I have the impression, that the emphasis now is on the employees' rights, be they or be they not legal or illegal, and we have a serious situation in this area, and I don't want to compromise any policies.

I want to get into an issue with Mr. Patrick.

I gather this is our only really crack at you from an appropriations perspective. I have some serious problems with what the Civil Rights Division is attempting to do and the policy that you are apparently implementing. We are seeing on a national scale where we do everything imaginable to get the, in this case, what is primarily African-Americans, sometimes it is Hispanic-Americans, groups together, even if we have to draw skinny lines or lollipops, or whatever, however unnatural it appears, we want to pull the African-American communities together as a voting block.

And what happens is that we get people who represent almost exclusively African-American populations, and then we get the people who represent almost exclusively nonminority populations, and we divide up their constituencies, and as you know, generally speaking, where you sit, is where you stand on issues, and in many cases, it creates a divisive situation. I can't believe that the Justice Department would intervene in a local area in the first place.

And just to give you a very quick background, Virginia is under the Voting Rights Act. It is under the Voting Rights Act because Prince Edward County had a massive resistance policy. Prince Edward is way down State.

The reason that we had massive resistance is because of what Northern Virginia did. Northern Virginia attempted to have elected school boards not appointed by the State so that we could get African-American representation on the school board and more progressive leadership. To put Northern Virginia under the same requirements doesn't make any sense. And for a community where every single precinct voted for an African-American for Governor and then to second guess their motivation and their willingness to recognize and be sensitive to civil rights concerns is entirely uncalled for.

And this attitude of gerrymandering within local jurisdictions to pull all of the African-American communities together, when some of us have worked for 30 years to integrate society in our schools, in our neighborhoods, and then to have the Civil Rights Division decide that we are going to go in the other direction, we are going to find every conceivable way to bring in every African-American community so that we can treat them as a block and have an African-American representative, and that African-American representative has no responsibility to the rest of the community.

That attitude, if it continues, I am going to oppose it every conceivable way possible. Because it is completely contrary to what we have tried, many people have tried to do, black and white together, in terms of integrating this society. And you have people in your Civil Rights Division that have just gone completely contrary to that. And it is wrong.

Some of the elitist, arrogant attitude that I have seen on the part of your division, it is infuriating.

Mr. PATRICK. Apparently.

ENFORCEMENT OF THE VOTING RIGHTS ACT

Mr. MORAN. And there are so few people you can—so few opportunities to register that objection.

But you know, there is a purpose for the Voting Rights Act and when you apply it inappropriately, it discredits the entire purpose of the Voting Rights Act in the first place—now, would have a vote.

Mr. PATRICK. May I respond, Congressman?

I know that we don't want to take a lot of time talking about substantive policy issues in this——

Mr. MORAN. Well, except that we fund it, so, you know——

Mr. PATRICK. I am not saying that it is inappropriate, I know that we are mainly here to talk about the numbers. But let me say first of all, I hear what you are saying. In two-and-a-half weeks on the job, I have not had the sense that our policy objectives were as you have described them.

You know, as I do, that Virginia, for whatever reason, but reasons routed in history, is a covered jurisdiction, and that our responsibility under Section 5 of the Voting Rights Act is not to tell you how to draw the lines, but to review the proposals that come before us. And in those circumstances where specific factors which the Supreme Court has required us to consider are present, we must consider whether the lines should be drawn in ways to promote the meaningful participation of minorities in the political process.

Now, that one device, not the best one in every case—is a single-Member district, a so-called single-Member district, majority-minority district. But I don't think that, at least from my perspective, or certainly my instinct, that I am there in order to look for ways to Balkanize the races along voting lines wherever it is possible or justifiable.

Mr. MORAN. Good for you. We got every word of that on the record.

Mr. Patrick's intent is not to Balkanize, whether it be at the national, State or local level.

Mr. PATRICK. Our intent is to enforce the Voting Rights Act.

Mr. ROGERS. Put a bulletin out to that effect.

Mr. MORAN. I hope we have further opportunity to talk, because money is scarce. If we are using it to advance the cause of an integrated society where everyone has equal opportunity, and everyone is assumed to, particularly when they are in office, to represent the best interests of the entire population, that money is well-spent.

If we are using it in any way to divide society, to undermine the integration of society and the pursuit of the original intent of civil rights laws, it is not properly spent, and it ought not be supported.

I have shared some thoughts with you at this point and I will let the Chairman take it back, but I hope we can discuss this a little further, Mr. Patrick.

Mr. MOLLOHAN. Thank you, Mr. Moran.

Ms. Gorelick, we appreciate your testimony here today. We will have a few questions to submit to you for the record and we would appreciate your responding to them for the record.

Ms. GORELICK. You have my promise to do so.

Thank you very much.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY REP. MOLLOHAN

Civil Rights Division Request

QUESTION: The Civil Rights Division requests total program enhancements of $10.7 million, 72 positions and 44 workyears for improved enforcement. FY 1994 funding was $55.5 million. You request an enhancement of $5.7 million and 47 positions to allow you to reduce the number of civil rights criminal investigations. Can you describe the increase in workload?

ANSWER: First, I would like to clarify that the Department is only requesting an enhancement of four positions, two FTE and $368,000 for its criminal civil rights enforcement program. The Department is seeking four attorneys to reduce the number of pending investigations so that incidents will be more quickly investigated and brought to grand jury/trial.

A notable trend in the past three years has been the increase in the number of investigations pending at the end of each year. While this increase may be attributable to the Section's efforts to work through the unusually high number of investigations conducted in 1991 as a result of public awareness of the Rodney King beating, there has also been a 75 percent increase in the number of grand juries pending during those same years. Grand juries require considerable resources and time to conduct. The workload per attorney in the past three years has also been markedly higher, with most attorneys handling over 100 investigations at a time, compared to 60 or 70 in earlier years. As a result, it has taken almost 10 percent longer in the past two years for attorneys to complete their review of investigations. In sum, the attorneys' workload has increased substantially in both the number of investigative matters requiring their review and the number that eventually result in grand jury presentation.

QUESTION: How does it compare to five years ago?

ANSWER: Comparing FY 1989 to FY 1993:

* 46 percent increase in the level of investigations pending to number of investigations received [48% to 70% (22/48 = 46 percent increase)]

* 38 percent increase in grand juries pending end of year [45 to 62]

* 28 percent increase in number of new matters presented to grand jury [from 40 to 51 matters; annual number reached a peak in 1992 with 74 matters brought before grand jury]

QUESTION: Do these cases result from additional FBI investigations? Is the FBI applying increased resources for civil rights complaints?

ANSWER: From 1991 to 1993, the FBI was funded for 144 agents to investigate civil rights violations but actually utilized 166 agents. In 1994, the FBI plans to add another four agents to investigate civil rights issues as part of an initiative to move 300 agents from Headquarters back into the field. In 1995, the FBI is planning to reassign 588 agents from lower priority cases to higher priority cases. Although the exact number has not yet been determined, some of these agents will be assigned to civil rights investigations. The increase in agents investigating civil rights matters is correlated with the increase in civil rights investigations since 1990. The FBI opened 4,803 new civil rights cases in 1990, 5,461 new cases in 1991, and 5,686 new cases in 1992. Since 1990, the number of FBI civil rights investigations has increased by 18 percent. Moreover, the FBI anticipates that the increase in its investigations will continue because of possible legislative changes, such as the inclusion of sexual orientation as a protected class under criminal civil rights statutes, the protection of abortion clinics and the Police Accountability Act.

QUESTIONS SUBMITTED BY
REP. DAVID PRICE AND REP. DAVID SKAGGS

Public Access

Discussion: We are concerned about the Justice Department's treatment of a case brought under Title III of the Americans with Disabilities Act against Becker C.P.A. Review. Judge Thomas F. Hogan, of the U.S. District Court for the District of Columbia, referring to the Justice Department, cited "a rush to judgment that the Court does not understand the necessity of when the parties were attempting to resolve it. . ." "The government then proceeded full board to litigate this matter, despite multiple attempts to have it resolved. . ."

QUESTION: In hindsight, should the Justice Department have waited longer and attempted to resolve this matter without litigation?

ANSWER: No. Hindsight does not lead us to believe that we acted precipitously. We believe that the Department acted appropriately in its investigation of the Becker C.P.A. Review Inc., and that our decision to enter into litigation was a wise and necessary course of action, given the circumstances of the matter. A detailed examination of the course of events may be helpful.

The ADA became effective on January 26, 1992, for certain types of businesses, including private entities that offer courses related to licensing and certification, such as the Becker CPA Review course. The ADA requires, among other things, that such entities provide appropriate auxiliary aids or services to persons with hearing impairments in order to ensure effective communication of their services.

The Becker matter came to the Department's attention when the

National Center for Law and Deafness filed a complaint on behalf of Rod Jex, an individual with profound hearing loss. In limited circumstances Mr. Jex can communicate by lip-reading; but in settings with large numbers of people, or in situations involving complex or lengthy communications, he must rely on the assistance of a sign language interpreter. Mr. Jex informed Becker of this need and requested an interpreter well in advance of the June 1992 CPA Review Course that he desired to attend, but the Becker company repeatedly denied his requests.

Mr. Jex made extensive efforts in the spring, summer, and fall of 1992 to protect his rights under the law. In addition to his own communications with Becker in the spring of 1992, the National Center for Law and Deafness wrote to the Becker company on June 8, 1992, on behalf of Mr. Jex, formally to request a sign language interpreter and to remind Becker of its obligations under the law. The Becker company never responded to this letter.

Mr. Jex attempted to take the July 1992 course without an interpreter. He found the course ineffective, and, after six classes, he dropped the course.

In September, November, and December 1992, Mr. Jex continued his efforts to secure an interpreter for the course beginning on January 5, 1993, by contacting Becker representatives in Northern Virginia, and again requesting the provision of a qualified sign language interpreter. The Becker company repeatedly refused to provide an interpreter.

Finally, in November 1992, the National Center for Law and Deafness filed Mr. Jex's complaint with the Department. Immediately after obtaining further information from Mr. Jex, the Department notified the Becker company of the alleged violation and the steps necessary to correct it. Because of Becker's history of refusing to comply with the Americans with Disabilities Act, and because of the quickly approaching start of a new review course in January, the Department repeatedly contacted Becker by phone and letter and urged the Becker company to act expeditiously. The Department persisted in its attempt to settle this matter, but was unable to obtain a firm commitment from Becker to provide a sign language interpreter for the January course and to change its policy with respect to future requests for auxiliary aids and services from individuals with disabilities.

United States v. Becker CPA Review, Inc., was the first case the Department filed under title III of the Americans with Disabilities Act. The ADA had been in effect for more than eleven months when this lawsuit was filed. As with the over 1,400 other complaints that we have investigated or are investigating, we attempted to settle this case before initiating litigation. However, the window of opportunity for settlement was shortened by the fact that the course for which the complainant needed a sign language interpreter began on January 5, 1993.

After the litigation was filed, we engaged in numerous settlement conferences before the Magistrate, and attempted several times to negotiate a policy that complied with the ADA.

We are delighted to report that on May 13, 1994, the Department filed a Consent Decree with the court in which Becker agrees to amend its policy to fully comply with the ADA. Specifically, Becker will provide appropriate auxiliary aids and services, including qualified sign language interpreters, to students with hearing impairments. Becker agrees to consult with each student in order to ascertain that student's individual needs and to explain Becker's proposed auxiliary aid or service. Becker may request that the student try the proposed aid or service at a Becker class, prior to the session that the student wishes to attend. Becker will arrange for a live make-up class in the event that any class time is missed while testing the proposed auxiliary aid or service. If the student can articulate, based on experience or skills, reasons why the proposed aid or service will not provide effective communication, the student will not be requested to test the proposed auxiliary aid or service. Becker will appoint a national ADA coordinator and to train its staff regarding the policy revision.

In addition to this policy change, Becker agreed to provide the Department of Justice with $20,000 for distribution to the students with hearing impairments who have taken the Becker course and who have provided the Department with information about how the course can be improved to accommodate the needs of students with hearing impairments. In addition, Becker agreed to establish a scholarship in the amount of $25,000 at the California State University, Northridge, for deaf or hearing impaired accounting students. The Consent Decree was signed by Judge Thomas Hogan of the U.S. District Court for the District of Columbia on May 16, 1994.

QUESTION: Based on Justice's experience in this case, what standards for compliance will the Justice Department employ in enforcement under this title of ADA?

ANSWER: The Americans with Disabilities Act provides detailed standards on what constitutes discrimination on the basis of disability. Relying on the extensive legislative history provided by the reports of four committees of the U.S. House of Representatives and one committee of the U.S. Senate, the Department was able to craft an implementing regulation that provides even further detail on the standards for compliance under the ADA. The Civil Rights Division believes that the statute and the implementing regulation provide a sound basis to enforce the law. We will continue to enforce the standards articulated in the statute and our implementing regulation. The Division will also continue to pursue education of the public through its technical assistance efforts.

In the first two years of enforcing the ADA, the Department has emphasized its education efforts. In responding to complaints that discrimination has occurred, we have first attempted to educate covered entities about their obligations under the law and have only sought to litigate as a last resort. Sufficient time has passed, however, that we expect covered entities to come into compliance with the law. While some flexibility was afforded to businesses in the first two years of the Act, the Department intends increasingly to enforce strict compliance.

QUESTION: What was the estimated expenditure of Justice Department funds in bringing an action in this particular case?

ANSWER: The Department considered this case to be a top priority. We committed the equivalent of the full attention of one trial attorney, as well as the intermittent involvement of supervisory, paralegal, and other staff hours to the Becker matter. We estimate that we devoted the equivalent of $200,000 in staff time and other resources to the case.

Office of Special Counsel

QUESTION: An increase of $5 million is requested for the Office of Special Counsel to help prevent employer discrimination. $2 million of this request is to strengthen OSC's enforcement efforts. How much did you spend on these efforts in FY 1994, and why do you believe more is needed?

ANSWER: OSC's 1994 appropriation, after reprogramming of four positions and $172,000, is $4,217,000. OSC is currently staffed by the Special Counsel, 13 attorneys, three paralegals, three investigators, six secretaries and five other support persons, including a language specialist.

The Department's commitment to effective enforcement of the Immigration Reform and Control Act's anti-discrimination provision requires additional resources to develop a viable enforcement initiative involving independent investigations. Among immigrants there is a reluctance to report charges of discrimination, especially to a government official. In the case of citizenship or national origin discrimination, an individual may not suspect he/she has been subjected to employment discrimination. Effective enforcement of IRCA's Section 102 cannot rely solely on charges filed with OSC, but requires aggressive, directed independent investigations. These resources allow OSC to pursue on its own initiative more complex and protracted investigations of large national companies.

In addition, public education activities must be maintained and expanded to reduce discrimination through a broad network capable of reaching an increasingly diverse and elusive population of employees and potential victims of discrimination. The increased resources will also help counteract any potential discrimination by employers arising out of the INS's Employer Sanctions Initiative.

The requested resources include $2,000,000 for 25 positions and 13 FTE necessary for the development and expansion of independent investigations, as well as the enhancement of regional and nationwide public education initiatives. The requested resources also include $3,000,000 to restore the community-based public education grant program previously funded through the INS Legalization account. This program awards grants to nonprofit community-based organizations for the development and implementation of public education programs designed to address the unique needs of communities with high alien and minority language populations.

The 25 positions consist of: a) ten public outreach specialists to serve as local liaisons with public and private officials and to maintain information dissemination networks; b) eight investigators assigned to broad regional areas to undertake independent investigations of large employers and industries; c) four paralegals for support of these activities; and, d) three clerical positions.

Civil Liberties Public Education Fund

QUESTION: The Department again requests $5 million to fund educational activities designed to prevent a reoccurrence of the internment and evacuation of Japanese-Americans during World War II. Has a board been appointed by the President to administer the program as authorized by the Civil Liberties Act?

ANSWER: No

QUESTION: Your budget states that the Board will decide how these funds are to be spent. Has this occurred?

ANSWER: No, because the Board has not yet been named.

QUESTION: Considering our budget problems, how would you respond to the question that it is premature to provide this $5 million until after the Board has met and developed a list of worthwhile projects that could be funded, and the Board provides the estimated cost of each of those projects? How can the Congress make an informed judgment on whether or not to fund this program without this information?

ANSWER: In order for projects to be identified, the Board must be able to meet and hire its staff; before such meetings can occur, there must be a mechanism (i.e., an appropriation) to pay the expenses of the board members to compensate its staff.

Legal Activities Office Automation

QUESTION: Are there other funds requested for JCON, and if so where and how much?

ANSWER: No other funds are expressly requested for JCON in FY 1995. However, the participating organizations may elect to apply to JCON some FY 1995 funds that are currently

targeted for related activities, such as office automation or automated data processing. A specific amount that may be applied to JCON in FY 1995 by the participating organizations cannot be anticipated at this time. The amount, if any, will depend on the overall funding level that is eventually established for each organization, the award of the JCON contract, and the array of requirements that confront each organization during FY 1995.

QUESTION: Is the $34.2 million estimated requirement for JCON still valid, and what will be the impact on the Project if you do not receive the full amount you require?

ANSWER: The estimated FY 1995 obligation level of $34.2 million was furnished to the Subcommittee in response to a question for the record. Due to delays in the procurement process, it now appears unlikely that we will be able to obligate this much money for JCON in FY 1995. However, we will continue our strategy of upgrading office systems in the litigating components to minimize the possibility of hardware and software obsolescence and to avoid the possibility of expensive wholesale upgrades after the JCON contract is awarded.

In any event, it is important to understand that the $34.2 million estimate was not represented as an "outyear" funding requirement for the JCON contract or even LAOA activity. The LAOA activity is intended only to provide for **some** of the core capabilities of automated systems in these components. Much of the funding, indeed most of the funding, for full implementation of JCON will be obtained from the participating organizations. If we do not receive the full $22.6 million requested for FY 1995, we will have to solicit more funds from the participating organizations and, if they are not forthcoming, it will mean delaying implementation of JCON.

The importance of retaining the LAOA activity as an adequately funded separate entity is to ensure that planning for JCON may proceed with some assurance that the Department will be able to finance the core elements of the system without having to rely on the beneficence of participating organizations. If the FY 1995 request is not fully funded, it will diminish the leverage of the system coordinators and may prompt the participating organizations to set off on their own, thus casting aside the advantages of a fully coordinated system.

WEDNESDAY, APRIL 20, 1994.

FEDERAL PRISON SYSTEM

WITNESSES

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WADE B. HOUK, ASSISTANT, DIRECTOR FOR ADMINISTRATION, BUREAU OF PRISONS, DEPARTMENT OF JUSTICE

ROBERT NEWPORT, DEPUTY ASSISTANT DIRECTOR, ADMINISTRATION DIVISION, BUREAU OF PRISONS, DEPARTMENT OF JUSTICE

ROBIN L. BEUSSE, CHIEF, BUDGET DEVELOPMENT, ADMINISTRATION DIVISION, BUREAU OF PRISONS, DEPARTMENT OF JUSTICE

STEPHEN R. COLGATE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION, DEPARTMENT OF JUSTICE

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER, DEPARTMENT OF JUSTICE

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF, DEPARTMENT OF JUSTICE

OPENING STATEMENT

Mr. MOLLOHAN. Continuing with our review of the Department of Justice, we will now hear testimony from the Federal Prison System.

For fiscal year 1995, the Prison System requests $2,406,952,000 for Salaries and Expenses; $191,021,000 for Buildings and Facilities; and $10,144,000 for the National Institute of Corrections.

We will insert in the record at this point the Prison System's fiscal year 1995 budget justification.

[The justifications follow:]

FEDERAL PRISON SYSTEM

EXECUTIVE SUMMARY

FY 1995 Congressional **January 1994**

Introduction

The Bureau of Prisons (BOP) is requesting, for Fiscal Year (FY) 1995, a total of $2,608,117,000, 31,583 permanent positions and 28,729 workyears. This is $378,363,000 above the 1994 enacted level and is based on current data, which projects an inmate population of nearly 97,000 at the end of FY 1995.

Population Pressures and the Budget

The biggest challenge facing BOP over the next several years is relentless growth in the inmate population. The inmate population in BOP facilities has more than tripled, from just over 23,000 in 1981 to nearly 80,000 at the end of FY 1993. Ninety percent of this growth has been caused by statutory changes which have dramatically increased the length of time inmates spend in BOP custody. The remaining ten percent is attributable to increased law enforcement, investigative and prosecutorial initiatives. These population characteristics mean that the vast majority of inmates projected to be in BOP custody during FY 1995 and beyond are already confined in Federal prisons now.

As of January 27, 1994, the institution population was nearly 82,000. This represents a net increase of over 160 prisoners per week since this same time last year. During FY 1994, we project the population will increase to nearly 89,000.

BOP has made concerted, continuous efforts to improve efficiencies and reduce current and future costs. The most dramatic of these has been the modification of rated capacity policy. Despite the fact that the majority of state and local correctional institutions still employ a single cell (one inmate per cell) rated capacity standard, BOP has adopted standards which provide for double bunking (two inmates per cell) at every security level. By determining that double bunking of 100 percent at minimum and low security levels, 50 percent at medium security level, and 25 percent at high and detention security levels is now acceptable, standard practice, BOP has reduced its outyear budget requests. The effect of this policy has been to add over 9,000 beds to our current capacity at virtually no cost. By 1997, this will have grown to over 25,000 beds. Had BOP not implemented this policy, the future construction cost alone of these additional beds would have exceeded $1 billion. It is important to remember, however, that this policy change

did not reduce the numbers of inmates who live in crowded conditions, nor has it made our institutions any easier to manage.

BOP staffing provides another example of cost efficiencies. Although BOP's mission makes it a staff intensive organization, BOP manages to keep salary costs relatively low. According to a recent General Accounting Office report, BOP utilizes 27 percent fewer staff in its facilities than comparable state institutions. The 1993 Corrections Yearbook identifies a national average ratio of one correctional officer per 5.1 inmates. Yet, the Federal Prison System manages 8.6 inmates with one correctional officer, taking advantage of innovative facility design, layout and equipment.

Capacity Expansion

BOP's budget request has one major theme: Capacity Expansion. Completion and activation of additional capacity are critical to both keep pace with higher population levels and reduce overcrowding to a more manageable level.

Since 1989, Congress has appropriated substantial resources to add capacity to the Federal Prison System. Funding provided for new construction, conversion of surplus facilities and expansion of existing facilities will eventually add more than 41,000 beds by the end of FY 1998. The activation of approximately 36,000 of these beds is scheduled to occur between 1995 and 1998, and continues to bring to fruition the capital investments funded by the Congress. This request represents the first time in three fiscal years that activation of additional capacity will exceed projected population growth, enabling further progress in reducing high levels of overcrowding.

In 1995, we are requesting $101,176,000 and 3,135 positions to activate 9,673 beds. This includes a correctional institution in Beckley, West Virginia; the Federal Transfer Center in Oklahoma City, Oklahoma; a low security institution in Butner, North Carolina; the conversion of a former university campus in Waseca, Minnesota to a low security institution; the conversion of two surplus military hospitals at Fort Devens, Massachusetts and Carswell Air Force Base, Texas; and three expansion projects at existing institutions. In addition, minimal funding has been requested to initiate necessary activation steps for a three facility complex in Coleman, Florida.

New Construction

For sentenced Federal offenders, BOP is requesting an increase of $74,000,000. This provides funding for the site and planning of two construction projects, a low security facility in California and a medium security facility in Beaumont, Texas; and funding to complete a low security facility in Pollock, Louisiana. In 1992, preliminary funding was provided for the sitework and design of the Pollock, Louisiana project. All of these facilities will add 4,224 beds to sentenced offender capacity.

BOP's role in pre-trial detention has risen dramatically in recent years. The number of INS and U.S. Marshal detainees (both citizen and non-U.S. citizen inmates) housed in BOP facilities is now 9,474 detainees -- 10.5 percent of our "total" population. BOP tries to provide detention facilities in locations where the U.S. Marshals Service anticipate that local contracts will be insufficient to meet their pre-trial detention requirements. Therefore, BOP is requesting $8,655,000 for the annual lease at the Oklahoma City, Oklahoma detention facility. This facility is designed as a transfer center, adding a total of 1,043 new beds to the detention capacity.

Contract Confinement

Approximately ten percent of BOP's population is presently housed in contract facilities. By 1995, we project that eleven percent will be so accommodated. In every sense, these contract resources represent additional capacity.

BOP has long been a proponent of "alternatives to incarceration" or "intermediate sanctions." During FY 1993, approximately 18,000 offenders were placed into such programs, with an average daily population of 4,500. With the reduced use of probation as a sentence, intermediate sanctions have become much more important.

We currently provide programs ranging from Intensive Confinement Centers to Urban Work Camps, and from Home Confinement to Community Corrections Centers. Despite the variety and quality of confinement alternatives, it is important to recognize that, to a large degree, the extent of their utilization is not fully within the purview of BOP. In many cases, sentencing courts initially impose community corrections sentences for low-risk, short-term offenders. This has the effect of pre-screening BOP's population and limiting the number of remaining offenders who may be placed in community programs before a major portion of their sentence has been served.

We recently revised our Community Corrections Center (CCC) referral policy to give greater recognition to the transition needs of offenders serving increasingly longer sentences. This revision will increase the average daily population in CCCs, while still maintaining public safety as a paramount consideration.

For FY 1995, we are requesting a program increase of $15,591,000 for community correction and detention. This includes $12,379,000 for a 14 percent increase in the CCC population. Further, $621,000 is requested for an increase in state and local contract bedspace, and will fund six positions to perform technical support functions (sentence computation, operational review, etc.) for the joint BOP/INS contract facility located in Eloy, Arizona. The Eloy facility will be activated in the latter part of FY 1994. Finally, the Cuban-Haitian Entrant Program (CHEP) is being transferred from the Community Relations Service to BOP, which will

consolidate the detention of criminal aliens under one DOJ component. An increase of $2,591,000, is requested to maintain the current service level for the reception, processing, and care of Cuban entrants.

Population Increase

For 1995, we are requesting $28,366,000 to support the projected average daily population increase of over 10 percent or 8,445 inmates. These additional resources will fund food, medical care, clothing, inmate transportation, security, unit management, education, recreation, psychology, records and management costs associated with the additional inmate population.

Modernization and Repair

BOP has an ongoing program for the replacement and/or rehabilitation of obsolete structures and plant facilities. Nearly 50 percent of BOP facilities are over 30 years old. Moreover, prison facilities are subjected to heavier than normal use. For FY 1995, BOP is requesting a net increase of $3,153,000 to fund four critical projects at four different institutions. These funds will provide for hazardous waste removal and life safety repairs.

National Institute of Corrections

For 1995, the National Institute of Corrections (NIC) is requesting a total of 51 positions, 51 workyears and $10,144,000. This request represents a decrease of $67,000 below the 1994 Appropriation enacted. Although, NIC's funding for training has declined, the Academy through collaboration with other Federal agencies, and through the use of other delivery strategies has been able to reach a broader audience. NIC served nearly 4,800 Federal, State and local government program participants in 1993, and anticipates nearly double that by 1995.

Other Initiatives

As part of the Administration's initiative to reduce personnel, the following program decreases have been factored in the program requests: 17 positions, 17 workyears and $935,000 for Salaries and Expenses (S&E); 5 positions 5 workyears and $647,000 for Buildings and Facilities; 1 position, 1 workyear and $100,000 for NIC; 24 workyears for the Federal Prison Industry; and 6 workyears for Commissary. Further, as part of the Administration's initiative to reduce administrative expenses, program decreases have been included in the S&E and NIC accounts for $2,572,000 and $238,000, respectively. In FY 1995 BOP is absorbing Locality Pay in the amount of $9,362,000 for S&E; $144,000 for B&F; and, $40,000 for NIC. Finally, S&E is being reduced by 40 positions, 40 workyears, and $3,598,000 as the result of realigning resources from the Tyndall, Florida closure.

Conclusion

In summary, we have prepared a budget request which emphasizes the critical need to increase correctional capacity, yet reflects the very limited fiscal environment in which the Federal Prison System and other law enforcement agencies must operate and the need to prioritize accordingly. We believe that our progress to date, combined with efficient use of new resources, will enable us to meet the growing challenges of housing and caring for an increasing inmate population.

Department of Justice

Federal Prison System

Salaries and expenses

Estimates for Fiscal Year 1995

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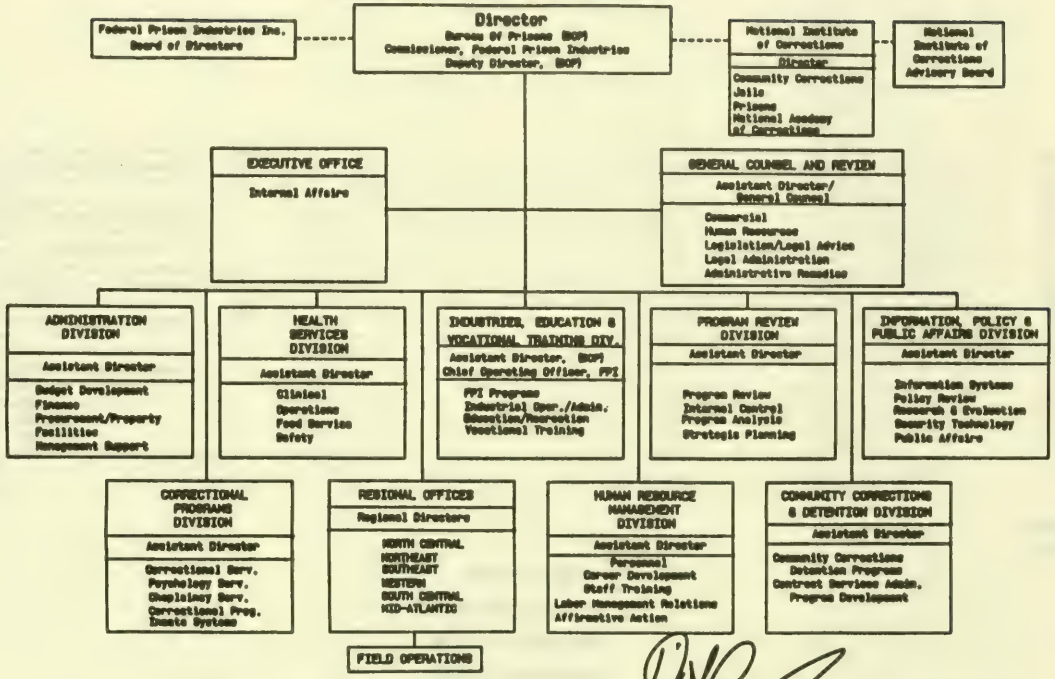
FEDERAL BUREAU OF PRISONS



Approved: _____ Date: 02-20-91

DICK THORNBURGH
Attorney General

Justification of Program and Performance

Federal Prison System

Salaries and expenses

Summary Statement

Fiscal Year 1995

The Bureau of Prisons (BOP) is requesting a total of $2,406,952,000, 28,950 permanent positions, and 26,195 workyears for the Salaries and Expenses appropriation in 1995. This represents an increase of $456,952,000, 3,090 positions, 2,796 workyears from the 1994 Appropriation.

This appropriation will enable custody and care for a projected average daily population (ADP) of 92,667 offenders and for the maintenance and operation of 89 penal institutions, 6 regional offices, 3 staff training centers, a central office, and the contract confinement of 10,926 Federal offenders in approximately 376 State and local jails, 36 juvenile facilities, and 261 community corrections centers in 1995. A geographic display of BOP is included on page 5.

The mission of the Federal Bureau of Prisons is to protect society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, and appropriately secure, and which provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens. The Bureau of Prisons currently manages 74 facilities in six regions of the Country, and as of January 27, 1994 supervises over 81,600 inmates within those facilities. In addition, BOP is responsible for over 8,500 Federal inmates in community corrections centers, contract detention centers, and other contract facilities.

There are three major appropriations for the Federal Bureau of Prisons: Salaries and Expenses; Buildings and Facilities, and; National Institute of Corrections. The purpose of the Salaries and Expenses appropriation is to provide for the custody and care of all Federal offenders, whether in Federal institutions or contract facilities, and to provide for the maintenance and operation of all facilities, regional offices, staff training centers and the central office. The funding for this mission is divided into five programs. Four of these programs are directly related to inmate care and custody. They are: inmate care; inmate programs; contract confinement; and institution security and maintenance. The fifth program addresses institution administration, management, and training.

For 1995, total program increases of $128,666,000, 3,084 positions, and 614 workyears are requested to provide for a projected increase in the inmate population, to activate new facilities, and further expand contract confinement. Following is a brief summary of each initiative:

Population Increase

For 1995, a total of $28,366,000 is requested to support the projected population increase. These additional resources will enable the Bureau of Prisons to meet the higher costs of food, medical care, clothing, inmate transportation, security, unit management, education, recreation, psychology, records, and maintenance associated with the projected population increase of over 10 percent (8,445).

Law enforcement initiatives during the past decade, especially those directed at major drug trafficking and violent crime, have more than tripled the Federal prison population - from 26,195 in 1981 to over 81,600 inmates by January 27, 1994. Recent experience indicates that the rate of growth continues at a rapid pace, increasing by over 8,300 or nearly 11 percent since January 1993. Based on numerous factors including short-term analysis of this growth level, Federal court cases pending, and the impact of crime legislation, BOP projects that the average daily institution based population will increase by 8,445 inmates (10 percent) during 1995, from 84,222 to 92,667.

Activation of New Facilities

Over the past several years, BOP has been engaged in the largest capacity expansion effort in its history, with substantial resources dedicated to the construction of new prisons and the expansion of existing facilities. In 1993 and 1994, BOP's capital investments begin to pay off, with a number of construction projects coming to fruition, resulting in significant activation increases. For 1995, the Federal Prison System is requesting a total of $101,176,000, 3,135 positions, and 666 workyears for those facilities which will require activation resources in 1995. These facilities will add 9,673 critically needed beds.

Facilities:	Estimated Activation Date	Beds	Pos.	WY	Amount ($000)
Activation of New Facilities:					
Beckley, WV	4/95	1,536	491	127	$19,580
Oklahoma Detention Center	4/95	1,043	306	126	18,218
Butner, NC	4/95	992	332	10	5,091
Waseca, MN	4/95	1,150	340	126	18,946
Carswell AFB, TX	4/95	450	268	126	15,421
Coleman, FL(Minimum)	7/95	512	131	6	417
Fort Devens, MA	7/95	806	305	80	16,489
Coleman, FL(Low)	9/95	1,536	398	18	1,005
Coleman, FL(Medium)	9/95	1,152	415	18	1,000
Subtotal, new Activations		9,177	2,986	637	96,167
Activation of Expansions:					
Sheridan, OR(Detention)	1/95	188	54	19	3,000
Seagoville, TX(Detention)	6/95	188	54	5	1,000
Safford, AZ	8/95	120	41	5	1,009
Subtotal, Expansions		496	149	29	5,009
Total, Activations		9,673	3,135	666	101,176

Opening a new facility is the culmination of four steps: site selection, design, construction, and activation. To avoid delays in acceptance of inmates, it is necessary to staff facilities a minimum of three months prior to activation, and equipment which requires long lead time is ordered at least six months prior to activation.

The current population (as of January 1996) of over 81,600 inmates is housed in prison facilities that should confine only 59,896 inmates, resulting in an overcrowding rate of 135 percent of capacity. The Average Daily Population is projected to increase by 8,445 from FY 1994 to FY 1995. With the projected activation of 9,673 beds in FY 1995, we expect to greatly impact the overcrowding rate and reduce it to 28 percent.

Contract Confinement

A total of 6 positions, 5 workyears and $15,591,000 are requested for contract confinement in 1995. Of this amount, 6 positions, 5 workyears and $414,000 are for Community Corrections Managers to help manage the new 1,000 bed joint Bureau of Prisons/Immigration and Naturalization Service contract facility. Additionally, $207,000 will support inflation and the increase in Average Daily Population in State and local jails; and an increase of $12,379,000 will support inflation and the increase in Average Daily Population in Community Corrections Centers. Finally, the Cuban-Haitian Entrant Program is being transferred from the Community Relations Service to BOP which will consolidate the detention of criminal aliens under one DOJ component. For this program, $2,591,000 is requested for the reception, processing, and care of Cuban entrants.

Other

There are four categories of reductions in the BOP 1995 request: Administrative expenses ($2,572,000); Government-wide FTE reductions (17 position, 17 workyears and $935,000), realigning resources (40 positions, 40 workyears and $3,598,000) from Tyndall, Florida which was closed recently, and; FY 1994 Locality Pay absorption ($9,362,000).

As BOP implements the personnel increases reflected in this budget for FY 1994 and 1995, it will endeavor also to begin implementing the recommendations of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

FEDERAL PRISON SYSTEM

Federal Prison System

Salaries and expenses

Justification of Proposed Changes in Appropriation Languages

The 1995 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed [770 of which 405] are for replacement only) and hire of law enforcement and passenger motor vehicles; and for the provision of technical assistance and advice on corrections related issues to foreign governments; [$1,950,000,000] ; Provided, That there may be transferred to the Health Resources and Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions ; Provided further, That the Director of the Federal Prison System (FPS), where necessary, may enter into contracts with a fiscal agent/fiscal intermediary claims processor to determine the amounts payable to persons who, on behalf of the FPS, furnish health services to individuals committed to the custody of the FPS: Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: Provided further, That not to exceed $6,000 shall be available for official reception and representation expenses: Provided further, That not to exceed $50,000,000 for the activation of new facilities shall remain available until September 30, [1995] :Provided further, of the amounts provided for Contract Confinement, not to exceed $30,000,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses authorized by section 501(c) of the Refugee Education Assistance Act of 1980 for the care and security in the United States of Cuban and Haitian entrants.

736 of which 383

$2,406,952,000

1996

(18 U.S.C. 3050, 3059, 3621, 4001, 4002, 4007, 4008, 4011, 4041, 4042, 4081 4082, 4253, 4281, 5015; Department of Justice and Related Agencies Appropriations Act, 1994)

Explanation of Changes:

1. The Federal Prison System is requesting changes in the ceilings for new and replacement automobile purchases. In support of the 1995 budget request, the Federal Prison System would require a total authority for purchase of not to exceed 736 motor vehicles of which 383 are for replacement only.

2. The Federal Prison System is requesting authority to carry over funds in the Contract Confinement decision unit, consistent with the transfer of a portion of the Cuban/Haitian Entrant Program responsibilities and resources.

Federal Prison System
Salaries and expenses
Crosswalk of 1994 changes
(Dollars in thousands)

Activity/Program	FY 1994 Revised President's Budget Request **			1993 Reprogramming			Congressional Appropriation Actions on 1994 Request ***			Adjustment for Non-Ceiling Workyears****	FY 1994 ***** Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	WY	Pos	WY	Amount
Inmate Care:													
Inmate Care	3,753	3,306	$465,653	(184)	(468)	$2,354	0	0	($11,821)	280	3,569	3,118	$456,186
Inmate Programs:													
Unit Management	3,469	3,123	184,243	188	0	2,000	0	0	(3,918)	0	3,657	3,123	182,325
Inmate Programs	1,783	1,443	119,554	49	80	(6,320)	0	0	(2,866)	0	1,832	1,523	110,368
Subtotal	5,252	4,566	303,797	237	80	(4,320)	0	0	(6,784)	0	5,489	4,646	292,693
Security and Maintenance:													
Institution Security	10,099	9,086	458,175	(208)	228	9,665	0	0	(8,116)	0	9,891	9,314	459,724
Institution Maintenance	2,021	1,778	211,031	(13)	(10)	(22,733)	0	0	(4,521)	0	2,008	1,768	183,777
Subtotal	12,120	10,864	669,206	(221)	218	(13,068)	0	0	(12,637)	0	11,899	11,082	643,501
Contract Confinement	185	185	121,427	31	31	15,034	0	0	0	0	216	216	136,461
Institution Administration:													
Institution Administration	3,108	2,728	268,294	24	24	(6,423)	0	0	(5,550)	0	3,132	2,752	256,321
Staff Training	372	321	41,395	9	21	737	0	0	(1,211)	0	381	342	40,921
Management and Administration	1,070	1,064	118,231	104	94	5,686	0	0	0	85	1,174	1,243	123,917
Subtotal	4,550	4,113	427,920	137	139	0	0	0	(6,761)	85	4,687	4,337	421,159
TOTAL	25,860	23,034 *	1,988,003	0	0	0	0	0	(38,003)	365	25,860	23,399	1,950,000

* Excludes 127 reimbursable workyears.

** Original FY 1994 request of $2,036,003,000 was revised downward to provide $ 48,000,000 for INS needs. The Department reduced the workyears by 176, to fund National Drug Intelligence Center.

*** The Conference level (same as House level) assumed a six month delay in activations, all positions were provided as requested, enabling us to utilize carryover funding and proceed with activations as the facilities become available.

**** The Department added 365 Workyears to FY 1994 Appropriation. (280 PHS and 85 Stay in School.)

***** For FY 1994 $28,087,000 in locality pay costs for three-quarters of the year will be absorbed.

Federal Prison System

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1994 Appropriation Anticipated	25,860	23,399	$1,950,000
Transfers:			
CHEP Resources	6	6	9,219
Mail Management	---	---	105
Total	6	6	9,324
Mandatory Increases	---	2,176	334,303
Decreases	---	---	(15,341)
1995 base	25,866	25,581	2,278,286

	1994 Appropriation			1995 Base			1995 Request			Increase/Decrease		
Estimates by Budget Activity:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Inmate care	3,569	3,118	$456,186	3,569	3,395	$528,497	4,058	3,514	$571,067	489	119	$42,570
2. Inmate programs	5,489	4,646	292,693	5,489	5,026	347,175	6,033	5,136	362,054	544	110	14,879
3. Security and maintenance	11,899	11,082	643,501	11,899	12,071	750,875	13,513	12,380	777,749	1,614	309	26,874
4. Contract confinement	216	216	136,461	220	220 *	167,892	226	225	183,371	6	5	15,479
5. Institution Administration	4,687	4,337	421,159	4,689	4,869 *	483,847	5,120	4,940	512,711	431	71	28,864
Total	25,860	23,399	1,950,000	25,866	25,581	2,278,286	28,950	26,195	2,406,952	3,084	614	128,666

*Reflects resources in CHEP transfer.

Federal Prison System
Salaries and expenses
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program:	1993 As Amended*			1993 Actual			1994 Appropriation			1995 Base			1995 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care	3,639	3,375	$393,164	3,448	2,448	$398,761	3,569	3,118	$456,188	3,569	3,395	$528,497	4,058	3,514	$571,067	489	119	$42,570
Inmate programs:																		
Unit management	3,402	3,147	180,581	3,595	3,177	174,025	3,657	3,123	182,325	3,657	3,334	214,072	3,980	3,401	223,642	323	67	9,570
Inmate programs	1,663	1,420	107,516	1,700	1,406	96,755	1,832	1,523	110,368	1,832	1,692	133,103	2,053	1,735	138,412	221	43	5,309
Subtotal	5,065	4,567	288,097	5,295	4,583	270,780	5,489	4,646	292,693	5,489	5,026	347,175	6,033	5,136	362,054	544	110	14,879
Security and maintenance:																		
Institution security	9,815	9,330	438,928	9,702	8,286	408,394	9,891	9,314	459,724	9,891	10,138	532,057	11,288	10,405	543,494	1,397	267	11,437
Maintenance	1,916	1,779	171,646	1,881	1,763	170,694	2,008	1,768	183,777	2,008	1,933	218,818	2,225	1,975	234,255	217	42	15,437
Subtotal	11,731	11,109	610,574	11,583	10,049	579,088	11,899	11,082	643,501	11,899	12,071	750,875	13,513	12,380	777,749	1,614	309	26,874
Contract confinement	198	198	109,097	229	208	132,270	216	216	136,461	220	220	167,892	226	225	183,371	6	5	15,479
Institution administration:																		
Institution administration	2,806	2,798	237,120	2,784	2,372	220,391	3,132	2,752	256,321	3,132	3,267	306,243	3,558	3,351	333,070	426	84	26,827
Staff training	375	334	40,153	382	350	33,718	381	342	40,921	381	357	47,284	403	361	51,152	22	4	3,868
Management and admin.	1,176	1,174	105,015	1,269	1,201	115,476	1,174	1,243	123,917	1,176	1,245	130,320	1,159	1,228	128,489	(17)	(17)	(1,831)
Subtotal	4,357	4,306	382,288	4,435	3,923	369,585	4,687	4,337	421,159	4,689	4,869	483,847	5,120	4,940	512,711	431	71	28,864
Total	24,990	23,555	1,783,220	24,990	21,211	1,750,484	25,860	23,399	1,950,000	25,866	25,581	2,278,286	28,950	26,195	2,406,952	3,084	614	128,666
Reimbursable workyears		127			127			127			127			127			---	
Total workyear ceiling		23,682			21,338			23,526			25,708			26,322			614	
Other Workyears:																		
Holiday		231			231			243			247			269			22	
Overtime		658			658			697			743			765			22	
Total compensable workyears		24,571			22,227			24,466			26,698			27,356			658	

* FY 1993 funding includes 25,228 positions, 23,848 workyears and $1,681,822 from appropriation, Congress authorized $40,000,000 transfer from prior year carryover and $69,409,000 from Crime Victims' fund. The total availability of $1,791,231,000 was reduced by the transfer of $8,011,000 ($800,000 to GLA, $42,705 for disability payments, $6,700,000 to USP and $468,000 to Public Safety Officers Benefits.) Further OMB reduced 238 positions and 293 workyears from the enacted level.

Federal Prison System
Salaries and expenses
Reimbursable Resources
Summary of Requirements
(Dollars in thousands)

Collections by Source:	1993 Actual			1994 Estimate			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
States	127	127	$10,220	127	127	$10,205	127	127	$10,603	0	0	$398
Staff Housing Rental	0	0	2,413	0	0	2,413	0	0	2,507	0	0	94
Federal Prison Industries	0	0	1,350	0	0	1,350	0	0	1,403	0	0	53
Meal Tickets	0	0	717	0	0	717	0	0	745	0	0	28
Farm Property	0	0	642	0	0	642	0	0	682	0	0	40
Subtotal	127	127	15,342	127	127	15,327	127	127	15,940	0	0	613

Goods or Services Provided:
Care for inmates from various states.
Housing for staff.
Utilities for Federal Prison Industries.
Meals for staff.
Sale of Livestock.

Federal Prison System

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Inmate Care	1994 Availability			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care.....	3,569	2,838	$456,186	3,569	3,395	$528,497	4,058	3,514	$571,067	489	119	$42,570

LONG-RANGE GOAL: To provide offenders incarcerated in the Bureau of Prisons (BOP) with a nutritional diet; comprehensive, accessible high quality health care services; clean clothing, footwear, linens, toiletries and stationery; and to properly manage the Inmate Trust Fund.

MAJOR OBJECTIVES: Provide three nutritional meals daily including provisions for medical and religious diets.

Educate inmates to eat healthier to reduce long-range medical costs.

Continue cost-effective farm operations to supplement food purchased from local sources.

Professionally analyze food service programs for nutritional adequacy.

Provide all inmates assigned to the food service department with the opportunity to acquire skills and abilities that may assist in obtaining employment after release.

Continue to provide current level health care services in all institutions, which include promotion of good health practices, prevention of diseases and disability, inpatient and outpatient treatment, medical rehabilitation services, health education, and to promote dental hygiene and prevention of dental disease.

Meet and/or maintain medical accreditation requirements in all institutions.

Acquire and provide an adequate supply of clothing, footwear, linens, toiletries and stationery items for distribution to the inmate population.

Maintain laundry and clothing issue/return operations.

Maintain the Inmate Trust Fund.

BASE PROGRAM DESCRIPTION: The BOP provides daily meals which are certified for nutritional adequacy by registered dieticians and meet the Recommended Dietary Allowances established by the Food and Nutrition Board Commission of Life Sciences, National Research Council. Meal preparation is accomplished primarily by inmate workers (about 12 percent of the population) under the supervision of staff. The United States Penitentiary at Lompoc, California and the Federal Correctional Institution at El Reno, Oklahoma utilize available land resources in limited production of beef and milk. Farm products are consumed at the producing institutions and are also shipped to nearby institutions to offset their need to purchase some products on the open market. Medical services are provided by a variety of professional and para-professional health care personnel including physicians, dentists, nurses, pharmacists, and physician assistants. Within 14 days of admission, all newly sentenced inmates receive a complete physical, mental health, and dental examination. Sick call, which includes examination of patient complaints, ordering and assessment of diagnostic tests, and a medical treatment plan is conducted five days a week. Medical emergencies during other than normal working hours or on weekends and holidays are handled on an on-call basis. If an inmate has

a health condition which is beyond the professional capability of an institution's medical staff, the inmate is referred to a contract physician, a hospital in the community, or one of BOP's medical referral centers.

The Medical Center for Federal Prisoners (MCFP) at Springfield, Missouri is the major medical referral center for the Federal Prison System. There are five additional regional medical centers within the BOP health care delivery system. The Federal Medical Center (FMC), Rochester, Minnesota accepts referrals of both male and female specialty medical, surgical and psychiatric cases nationwide. The Federal Correctional Institution (FCI), Butner, North Carolina provides for male psychiatric cases. FCI, Lexington, Kentucky handles female medical, surgical, and psychiatric cases nationwide. Also, selected chronic (disabled, handicapped, geriatric) female cases are referred to Lexington on a nationwide basis. FCI, Terminal Island, California accepts referrals of both male and female medical and surgical and male psychiatric cases primarily from the Western Region. Finally, FCI, Fort Worth, Texas accepts referrals for male inmates with chronic disease and in need of long term care.

The U.S. Public Health Service continues to provide personnel in support of the BOP medical program. In addition to providing 24-hour or 16-hour medical coverage at all institutions, all major medical facilities have accreditation by the Joint Commission on Accreditation of Healthcare Organizations. Medical, surgical, and rehabilitative services not available in BOP medical facilities, are provided to inmates through contract arrangements with community hospitals and/or governmental health facilities. Increasing numbers of Federal inmates are requiring medical care, primarily as a result of the population explosion, general aging of the population and the increased numbers of inmates with a history of drug abuse. Specifically, BOP has experienced increased numbers of drug related medical conditions such as AIDS and kidney disease.

BOP maintains an inventory of clothing, footwear, toiletries, linens, and writing supplies for issue to all inmates during incarceration. Clean clothing and linens are issued weekly in exchange for clothing and linens to be laundered. A laundry operation is maintained to clean all clothing and linens. All services are performed with inmate labor under staff supervision.

Finally, BOP manages an Inmate Trust Fund account for all monies on deposit for each inmate. Monthly inmate earnings received for work with Federal Prison Industries, performance pay, and money from family, friends or other sources during visits or via the mail are deposited directly to each inmate's account. Inmates can withdraw funds when needed to make purchases from the commissary, send money to family members, pay for legal services, or pay for supplies to participate in programs such as college courses or leisure activities.

ACCOMPLISHMENTS AND WORKLOAD: Actual and estimated accomplishments of the Inmate Care Program are presented in the following tables:

	1992	1993	Estimates 1994	Change	1995
Food and Farm Services:					
Meals provided (Daily)	201,192	248,151	256,410	23,301	279,711
Average cost per inmate per day	$4.59[1]	$4.54	$4.67	.12	$4.79
Percent of Recommended Dietary Allowance	100%	100%	100%	...	100%
Number of farms operated	2	2	2	...	2
Value of farm products (in thousands)	$3,050	$3,200	$3,500	250	$3,750
Medical Services:					
Total Outpatient Visits (yearly)	836,508	928,523	1,030,661	113,373	1,144,034
Average Number of Outpatient Visits (daily)	3,217	3,571	3,964	436	4,400
Average Daily Patient Load	322	357	396	44	440
Average Length of Stay (Days)	36	36	36	...	36
Hospital Days per Inmate per Year	9.2	9.2	9.2	...	9.2
Human Immunodeficiency Virus (HIV) Tests	40,000	50,000	50,000	5,000	55,000
Other Inmate Services:					
Supply of clothing/footwear (actual pieces of clothing/footwear)	373,784	404,616	472,478	42,880	515,358
Supply of linens (actual linen sets)	550,271	595,158	694,977	63,073	758,050
Laundry workhours	143,520	149,760	166,400	10,400	176,800
Inmate Trust Fund collections ($ in thousands)	$124,146	$151,989	$176,920	$25,714	$202,634
Inmate Trust Fund disbursements ($ in thousands)	$123,142	$151,293	$176,110	$25,596	$201,706

[1]/BOP was able to hold its average cost of food down in 1992 due to food being received from Desert Storm.

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In the Health Services Division steps are being taken by BOP to better manage outside contract care. In FY 1993, over 75 percent of the institutions established formal contracts with local health care providers. Many contracts were negotiated at the Medicare (DRG) rate, which was significantly lower than the local charges or daily hospital per diems. BOP is establishing a utilization management function to reduce unnecessary hospitalizations for our inmate population. The process for utilization management control will necessitate all routine hospital admissions being precertified by the Health Services Division before an inmate can receive inpatient care. BOP is also actively seeking the acquisition of hospital resources on military bases that are on base closure lists. By increasing the hospital bed capacity, it will allow BOP to reduce outside hospital costs and better manage inmate care within BOP's medical referral center network. In addition, utilization of military hospital beds will save BOP significant dollars in construction of new medical beds. Finally, BOP is an active participant with the Department of Veterans Affairs, Department of Defense and PHS Indian Health Service in a number of Interagency Sharing Agreements in the areas of inpatient, outpatient and ancillary services. Federal resource sharing yields positive results in terms of saving dollars related to outside medical costs for the Bureau.

In 1992, the Sensitive Medical Data (SMD) - Morbidity and HIV Reporting system was implemented to provide statistics on the types (diagnoses), number of inmate health care visits, and to track HIV cases, using BOP's existing SENTRY data system. The SMD system is similar to those used in non-BOP health care facilities and is based on the International Classification of Diseases, 9th Revision, Clinical Modification. In 1993, the SMD continues to be used in all institutions and enhancements are being planned, i.e., procedures codes.

In addition, in 1992 Food Services developed a nutritional information system that educates inmates and helps them to eat healthier. Nutritional information cards displayed on the serving line provide inmates with the amount of calories, fat, sodium, and cholesterol in an average portion. By educating the inmate population to eat healthier, the BOP will reduce long-range medical costs as inmates grow older. In addition to the Nutritional Information Cards, BOP implemented a Heart Healthy feeding program in 1990. Statistics show the inmates have benefitted in this new program. In FY 1989, BOP was offering 5,400 calories, 44% fat, 847 milligrams and 10,500 milligrams of Sodium per day. As of September 1993, BOP had lowered their meals a day to 3,500 calories (34 percent decrease), 32.5% fat (26 percent decrease), 542 milligrams of Cholesterol (36 percent decrease), and 6,373 milligrams of Sodium (39 percent decrease).

In 1993, the Department of Veterans Affairs (DVA) and the Bureau of Prisons negotiated a Prime Vendor Contract for pharmaceuticals for all BOP facilities. The contract service provides for a more effective and efficient means of providing drugs and pharmaceutical products to Federal inmates than the former methods of buying from the Public Health Service depot, the DVA depot, or directly from numerous manufacturers and local wholesalers. Additionally, such Bureauwide contracts allow for a standardized formulary of prescriptions for inmates transferring between institutions.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care	3,569	3,395	$528,497	4,058	3,514	$571,067	489	119	$42,570

The request includes $15,226,000 to provide for a projected increase of 8,445 in the average daily population; from 84,222 in 1994 to 92,667 in 1995. Within this amount, $6,711,000 is for food and farm services, $6,915,000 is for medical services and supplies, and $1,600,000 is for clothing, footwear, bedding, toiletries, etc.

In addition, 494 positions, 124 workyears and $30,227,000 are included to provide resources to activate new facilities in 1995 as follows:

Facilities:	Estimated Activation Date	Food and Farm Service Pos.	WY	$000 Amount	Medical Services Pos.	WY	$000 Amount	Other Inmate Services Pos.	WY	$000 Amount
Activation of New Facilities:										
Beckley, WV (1,536 beds)	4/95	23	6	$1,549	36	9	$1,881	4	1	$511
Oklahoma Detention Center (1,043 beds)	4/95	12	5	1,463	20	8	2,780	2	1	403
Butner, NC (992 beds)	4/95	16	1	552	24	1	855	2	0	6
Waseca, MN (1,150 beds)	4/95	16	6	1,496	24	9	2,274	2	1	570
Carswell AFB, TX (450 beds)	4/95	9	4	862	77	36	5,231	2	1	243
Coleman, FL (Minimum 512 beds)	7/95	6	0	20	13	1	47	1	0	3
Fort Devens, MA (806 beds)	7/95	12	3	1,340	77	20	5,834	2	1	427
Coleman, FL (Low 1,536 beds)	9/95	18	1	112	24	1	76	2	0	4
Coleman, FL (Medium 1,152 beds)	9/95	18	1	51	24	1	112	2	0	4
Subtotal, New Activations (9,177 beds)		130	27	7,445	319	86	19,090	19	5	2,171
Activation of Expansions:										
Sheridan, OR Detention (188 beds)	1/95	5	2	408	5	2	576	0	0	83
Seagoville, TX Detention (188 beds)	6/95	5	1	81	5	1	161	0	0	13
Safford, AZ (120 beds)	8/95	3	0	71	3	0	119	0	0	9
Subtotal, Expansions (496 beds)		13	3	560	13	3	856	0	0	105
TOTAL, Activations (9,673 beds)		143	30	8,005	332	89	19,946	19	5	2,276

The activation dates listed above are the best estimates available at this time. It is important to remember however, that they are estimates and may be subject to change over the course of the project if impacted by uncontrollable events. To avoid delays in acceptance of inmates, it is necessary to staff facilities a minimum of three months prior to activation, and equipment which requires long lead time is ordered at least six months prior to activation.

It should be noted that an estimated $6,000,000 may need to be reprogrammed into this decision unit to help cover the increase in treating and preventing infectious diseases. The budget request does not reflect the full anticipated impact of communicable diseases and the implementation of regulatory policy on the Bureau of Prisons. There are significant costs above and beyond those requested in the budget.

Finally, there are reductions of 5 positions, 5 workyears, and $2,883,000 for this program consistent with the realigning of resources from Tyndall, Florida, Administrative reductions, and FY 1994 Locality Pay absorption.

Activity: Inmate Programs	1994 Availability Perm. Pos.	WY	Amount	1995 Base Perm. Pos.	WY	Amount	1995 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Inmate Programs	5,489	4,646	$292,693	5,489	5,026	$347,175	6,033	5,136	$362,054	544	110	$14,879

LONG RANGE GOAL: To establish a safe, humane environment which minimizes to the extent possible, the detrimental effects of confinement; and to provide a variety of counseling programs which are most likely to aid inmates in a successful adjustment to the institution and, upon release, a successful return to the community;

Provide general and occupational education opportunities to all inmates desiring or required to participate; provide Federal offenders with a full range of recreation and leisure activities to improve their physical and mental health and promote the development of personal, interpersonal and social skills to better enable them to cope with the psychological and physical impact of their incarceration; and to enhance post-release employment and positive life styles;

Provide all prisoners with reasonable and equitable opportunities to pursue individual religious beliefs and practices within the constraints of confinement and;

Provide immediate and long-term psychological care for Federal inmates with mental health problems and assist in the decision making of the courts, prison administrators and parole officials.

MAJOR OBJECTIVES: Subdivide the inmate population into small well-defined and manageable groups whose members develop a common identity from close association with each other and their unit staff.

Increase the frequency of contacts and improve relations between staff and inmates.

Ensure that decisions regarding inmates are made by staff most closely associated with those inmates, increasing the quality and swiftness of the decisions.

Provide opportunities for individual and group counseling in each unit.

Provide drug abuse programs for inmates who have the need and motivation to participate.

Provide education programs designed to meet inmate needs for functional literacy, high school equivalency, English language proficiency, adult continuing education, career assessment and counseling, and personal growth and to enhance their employability upon release.

Maintain education program certification or accreditation by regional Associations of Colleges and Schools or other appropriate accrediting agencies. Provide a variety of indoor and outdoor physical, cultural, and related leisure activities with opportunities to enhance personal wellness and belong to social and other groups.

Make available the appropriate worship services of the various religious disciplines represented within the inmate population and provide a variety of non-worship religious program options.

Provide psychological screening for every inmate admitted to the BOP.

Provide pastoral care for individual inmates and staff.

Provide personal spiritual growth seminars and courses as well as programs to strengthen family support systems.

Provide psychological care to inmates admitted to inpatient mental health program.

Provide psychotherapy and crisis intervention counseling.

Provide psychological evaluations requested by the courts, parole officials, and prison administrators.

Provide training to staff for religious and cultural diversity issues.

Provide family services to staff during crisis incidents at institutions.

Provide staff training in mental health areas.

Provide employee assistance programs.

BASE PROGRAM DESCRIPTION: The purpose of Inmate Programs is to improve inmate control and establish healthy relationships between staff and inmates by dividing the large institution population into smaller, more manageable groups. A team of multi-disciplinary staff who have administrative and supervisory authority in most institutional aspects of programming and living are permanently assigned and located in the unit to work with the inmates. This places services closer to the users and permits decision-making by those who are most knowledgeable of the inmates and their programs. The increased interaction between inmates and staff enhances communication and understanding of inmate needs to a level not possible in a centralized correctional environment. The program is carried out through the proper classification of inmates and development of inmate programs on the basis of need and motivation.

Inmate programs include general and occupational education programs, leisure time activities, religious, and psychology services.
General education programs are designed to meet specific inmate needs for functional literacy, high school equivalency, continuing education, and personal growth. There are seven major components of the general education program: Literacy, Adult Continuing Education, English as a Second Language, Post-secondary Education, Guidance and Counseling, Occupational Education, and Life Skills.

The Literacy Program is designed for the nearly 45 percent of Federal offenders who lack a high school diploma and consists of basic literacy and high school equivalency courses, and general equivalency examinations. The GED literacy standard was implemented Bureau-wide on May 1, 1991. This standard requires all inmates, with few exceptions, to enroll if they do not have verification of a high school diploma or a GED equivalency. A mandatory involvement is required for 120 days. Adult Continuing Education courses are designed for inmates who have a desire to "brush up" in a special area or enroll in a special interest program, e.g., speed reading, English, mathematics, contemporary issues, history, and foreign language. The Crime Control Act of 1990 requires all non-English speaking Federal prisoners to participate in an English as a Second Language (ESL) program until they function at the equivalent of the eighth grade level. Post-secondary Education courses are for inmates who have successfully completed high school and want to further their education, e.g., drafting, computer applications, data processing, and dental technology. The Guidance and Counseling program assists inmates to focus on realistic planning and goal setting for work and related activities during their incarceration and after release. The Life Skills component helps inmates develop a positive self-image and positive interaction skills, including parenting.

Occupational education programs serve to enhance skills during incarceration and increase the employability of offenders upon release, particularly those who either lack solid employment history or a saleable skill. The majority of Federal offenders are unskilled at the time of commitment to prison. Federal offenders can choose a vocation, through instruction, work experiences, and career orientation; acquire or improve productive work skills and habits; and gain practical knowledge essential to working and functioning in a complex industrial-technical world of work.

A wide variety of leisure time activities are offered at each Federal prison including indoor and outdoor individual athletic and sports activities, arts and crafts, music and drama activities, movies and frequently, guest performances. Information and structured classes are provided on nutrition, physical and mental health, and overall health promotion and disease prevention.

Chaplaincy personnel conduct the religious services of their particular faith group and arrange for the delivery of religious services of other faith groups. Approximately 280 contracts are issued annually for the delivery of services of the smaller faith groups and other related religious services. Chaplains also recruit, train, supervise, and sustain approximately 4,000 volunteers from the community who regularly visit the institution to participate in the religious programming. Over 21,000 religious worship services were conducted in 1993 representing the various religious disciplines within the prisoner population. In addition to worship services, chaplaincy personnel offer a wide variety of non-worship religious program options.

Chaplaincy staff play a positive role in inmate and religious groups management as they provide programs across the spectrum of faiths represented in the inmate population. Policy requires facilitation of inmates, practice of their faith and further, that they not be either disparaged or discriminated against because of their religion. Chaplaincy plays a key role in training and sensitizing staff regarding the variety of faiths that inmates practice. Chaplaincy additionally provides guidance to the institution to comply with both the Religious Freedom Restoration Act and the American Indian Religious Freedom Act of 1993.

Psychology staff are an integral part of correctional treatment as they administer programs of group and individual psychotherapy, crisis intervention, personal development classes, and staff consultation/training. Policy requires that every inmate admitted to a BOP facility be given an initial psychological screening which consists of psychological testing, psychological interviews, social history reviews, and behavioral observation. The purposes of the screening are to identify special treatment and/or referral needs; provide information useful in future crisis-counseling situations; identify strengths as well as potential adjustment problems to imprisonment; and discuss possible program needs with the inmates and provide information about them.

Both individual and group psychotherapy is available to inmates who express a desire and demonstrate the need for it. Training and orientation programs are also offered for developing "life competency skills" including communication, assertiveness, self-image, interpersonal relationships, conflict resolution, problem solution and work skills. Short-term crisis counseling has been acknowledged by mental health professionals as a powerful, viable skill and BOP psychologists have expertise in this area and have provided training and consultation to staff in all institutions. BOP psychologists have traditionally provided the courts, parole officials and prison administrators with quality psychological evaluations.

ACCOMPLISHMENTS AND WORKLOAD: Actual and estimated accomplishments of this program are presented in the following table:

	1992	1993[1]/	Estimates 1994	Change	1995
Education:					
Enrollments:					
Adult continuing education[2]/	30,590	33,500	35,500	2,000	37,500
General education development	14,060	12,500	13,500	1,000	14,500
Post-secondary education	21,150	20,820	21,070	250	21,320
Occupational education	6,440	3,800	4,000	200	4,200
English as a second language	4,170	3,600	4,000	400	4,400
Recreation/Wellness[3]/	...	3,500	4,000	500	4,500
Completions:					
Adult continuing education[2]/	27,600	28,900	39,900	1,000	49,900
General education development	5,450	5,725	6,000	250	6,250
Post-secondary education	18,490	18,830	19,330	500	19,830
Occupational education[4]/	8,130	7,050	7,250	200	7,450
English as a second language	2,480	2,110	2,360	250	2,610
Recreation/Wellness[3]/	...	1,900	2,400	500	2,900
Religious Services:					
Worship[5]/	19,010	21,464	24,900	2,100	27,000
Non-worship programs (represent monthly totals)	24,121	25,011	29,111	4,000	33,111

[1]/The enrollments for the current fiscal year and beyond are new enrollments only. The new enrollment data reflects only those inmates who have enrolled since October. The data does not include enrollments carried over from the previous year. This explains why the completion data for some program areas may be greater than the enrollment data provided.
[2]/Includes Life Skills, Guidance and Counseling and parenting components.
[3]/Beginning in FY 1993, Recreation/Wellness was separately tracked. Prior to 1993, this category was included in the Adult continuing education category.
[4]/Numbers reflect a change in the reporting system, not a decrease in completions.
[5]/Distinctive Worship Services: General Christian (English/Spanish); Catholic Mass (English/Spanish); Juhma, Sweat Lodge, Moorish Science, Nation of Islam, and Jewish are weekly, plus seasonal special services.

	1992	1993	Estimates 1994	Change	1995
Psychology Services:					
Witness protection evaluations	370	375	375	5	380
Court evaluations	3,300	3,350	3,500	(125)	3,375
Routine evaluations	65,112	66,000	67,000	50	67,050
Group therapy sessions	18,215	18,500	19,000	1,000	20,000
Crisis intervention sessions	50,112	52,000	52,800	200	53,000
Suicide prevention evaluations	2,125	2,150	2,200	300	2,500
Drug Abuse/Education counseling hours	500,000	520,000	530,000	10,000	540,000
Residential Drug Abuse Group counseling hours	622,370	1,371,050	1,932,000	...	1,932,000
Non-residential Drug Abuse Group counseling hours	11,746	8,445	8,622	285	8,907
Personnel interviews	4,751	4,900	5,200	50	5,250
Employee assistance contacts	2,830	3,500	4,000	200	4,200
Staff training sessions	8,310	8,500	8,600	50	8,650
Unit team meetings w/inmates	18,712	19,000	19,000	...	19,000
Unit Management:					
Average daily population	67,064	75,234	84,222	8,445	92,667
Number of Units	400	460	480	50	530
Study & Observation Reports	560	600	650	150	800
Institution Transfers	40,353	60,000	70,000	12,000	82,000
CCC Transfers	11,000	12,500	14,000	6,000	20,000
Releases	21,446	28,500	35,000	13,000	48,000

The Bureau of Prisons has virtually met its goal of establishing functional unit management in most of its facilities. However, because of the rapid growth in population, it has become necessary in some instances to return to a centralized management system or to administratively combine two units into one larger one under the supervision of one unit manager.

In response to the rapid growth in the Federal inmate population having drug abuse histories, BOP has developed a comprehensive drug abuse treatment strategy consisting of five components: drug abuse education, non-residential drug abuse counseling services, intensive non-residential drug abuse treatment, residential drug abuse program, and community-transitional services programming.

Participation in BOP's Drug Abuse Education Program is required for all inmates who have a judicial recommendation for treatment and/or a history of drug use. The Drug Abuse Education component provides the inmate with specific instruction on the risks involved in drug using and abusing behaviors, presents strategies toward living a drug-free lifestyle, while introducing the inmate to the concepts of drug treatment and motivating the inmate to volunteer for participation in BOP's residential drug abuse treatment program.

Non-residential Drug Abuse Counseling Services consists of both group and individual therapy delivered through the psychological services department in each institution. These services offer flexibility and service delivery to those who do not meet the eligibility requirements for BOP's residential drug abuse treatment program. Non-residential treatment services are also provided for those inmates who have completed the residential treatment phase who remain in the institution, and who require aftercare treatment while awaiting release to the community.

In 1991, Intensive non-residential treatment programming was approved for testing at the Federal Correctional Institution located in Fort Worth, Texas. This intensive non-residential treatment component offers the same treatment regimen as given in BOP's residential units, but does not offer unit-based living. The purpose of this program effort is to determine how drug treatment resources are best utilized over time, serving as an alternative to residential programming.

The residential drug abuse program is designed for inmates who volunteer for extended drug abuse treatment. Nine-month residential programs are available in 27 institutions, and three institutions offer twelve-month programming. The residential programs provide unit-based living with extensive assessment, treatment planning, and individual and group counseling. The twelve month program also serves as a control group for the National Institute on Drug Abuse outcome evaluation that is now underway.

To increase inmate participation in the residential drug abuse program, BOP has instituted a number of incentives, such as extended Community Corrections Center periods. An evaluation plan has been implemented to determine if such incentives will indeed increase the participation in the residential drug abuse program. This will provide us with important information on how to better recruit the drug-dependent inmate into treatment.

Community transition programs were originally developed for inmates who complete the residential drug abuse treatment program and are released to the community under BOP custody. This continuum of treatment is the most critical period for the inmate's adjustment back into society. In FY 1993 the community transition program was extended to accept inmates who have been identified as requiring community treatment, as part of their community program plan while still in BOP custody, (i.e., Intensive Confinement Center inmates, inmates participating in the Electronic Monitoring program).

To support the drug treatment initiative, BOP allocated 44 positions to bring seven comprehensive units on line in 1991. One hundred positions were approved for 1992 to staff the new intensive non-residential program and the expansion of residential units, and to provide administrative oversight in the field for a total of 31 residential units, inclusive of the program at FCI Ft. Worth, in FY 1992.

By the end of FY 1993, BOP continued to have drug abuse education and non-residential treatment available in all its institutions, and residential and intensive non-residential treatment available in 31 institutions. Both the residential and intensive non-residential programs maintained an average daily population exceeding 2,600 inmates. Community drug transition served an average daily population of nearly 300 by the close of FY 1993.

9 Month Residential		12 Month Residential	Intensive Non-Residential
FCI Fairton, NJ	FCI Morgantown, WV	FCI Tallahassee, FL	FCI Fort Worth, TX
FCI Oxford, WI	USP Terre Haute, IN	FCI Butner, NC	
FCI Rochester, MN	FCI Talladega, AL	FMC Lexington, KY	
FCI Sheridan	FPC Yankton, SD		
FCI Seagoville, TX	FCI Three Rivers, TX		
FCI Dublin, CA	FCI LaTuna, TX		
FCI Marianna, FL	FPC Bryan, TX		
FCI Danbury, CT	FCI Bastrop, TX		
FCI El Reno, OK	FCI Lompoc, CA		
FCI Phoenix, AR	USP Lompoc, CA		
USP Leavenworth, KS	FCI Terminal Island, CA		
FCI Englewood, CO	FPC Allenwood, PA		
FPC Alderson, WV	FCI McKean, PA		
USP Atlanta, GA			

In FY 1995, we plan to expand the residential drug treatment programs by three institutions. One of these programs would be for inmates who are dually-diagnosed (mental health and drug abuse disorders). This dually-diagnosed program is planned to be piloted at one of the Bureau of Prisons Medical facilities.

All inmates except those specifically exempt (e.g., detained aliens), who do not have a verified high school diploma or GED, are required to enroll in a mandatory literacy program. A GED literacy standard was established in May 1991. Promotions to industry and institution jobs depend upon the prior attainment of a high school diploma or GED. Approximately 8,300 General Education Development tests are administered annually. Non-English proficient inmates are also required to enroll in an English-as-a-Second-Language (ESL) program until they achieve eighth grade proficiency. In 1993, an additional 3,600 inmates enrolled in, and 2,110 completed an ESL program. Post Secondary Education programs continue to have one of the highest retention rates of all education programs. Completion rates in college courses are in excess of 87 percent. Over 270 Federal prisoners earn college degrees annually, most of them occupationally oriented AA degrees.

Education services are now accredited by the regional commissions of colleges and schools at the Federal Correctional Institutions (FCI's) Alderson, West Virginia; Danbury, Connecticut; Milan, Michigan; Morgantown, West Virginia; Oxford, Wisconsin; Safford, Arizona; Tallahassee, Florida; Dublin, California; Sandstone, Minnesota; Terminal Island, California; Otisville, New York; Englewood, Colorado; and Ray Brook, New York; the Federal Prison Camp Boron, California; United States Penitentiaries (USP's) Lewisburg, Pennsylvania; Lompoc, California; Terre Haute, Indiana; and Leavenworth, Kansas; and the Medical Center for Federal Prisoners at Springfield, Missouri.

Apprenticeship programs have been expanded to over 310 training units in approximately 134 different trade classifications in 36 institutions. Approximately 885 inmates enroll in apprenticeship programs annually. Computer assisted instruction (CAI) is available in most institutions. Fifty-three institutions use an integrated CAI system to supplement literacy, high school, and related classroom instruction. This system can provide up to 2,000 hours of individualized instruction.

BOP continues to provide 100 percent of the psychological screening for every new admission, the psychological evaluations requested by the courts, and the crisis intervention counseling. BOP Psychologists continue to conduct training in Hostage Negotiation, Victim's Assistance, effects of victimization, critical incident de-briefings, and Suicide Prevention. Psychologists also offer an extensive Employee Assistance Program (EAP) to all BOP staff. A Work Group on Organizational Stress was established to examine the special concerns of BOP employees. In addition, new pilot training programs are being developed to promote "Psychological Wellness." The number of employee contacts for assistance continues to exceed contacts in similar agencies. The EAP helps to promote a "caring" philosophy among BOP staff.

Chaplaincy has diversified programming to include auxiliary programs to drug education and treatment. Marriage enrichment programs for inmates have become more widely provided. Kairos and Cursillio programs, which are weekend seminars with lectures, group sessions, sharing prayer and worshipping, continue to increase, handling approximately 40 to 50 inmates per seminar. Spiritual growth and personal counseling process groups as well as Alternatives to Violence Seminars are becoming more available. Family and parenting program, while still in their infancy, are being piloted. Spiritual Wellness, including values clarification, is now offered in two institutions (ICC Lewisburg and ICC Bryan) by Chaplaincy.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Programs	5,489	5,026	$347,175	6,033	5,136	$362,054	544	110	$14,879

Population Increase. For 1995, BOP projects an average daily population of 92,667, an increase of 8,445 over the 1994 estimate of 84,222. Included in the request level is $6,532,000 to provide supplies and contract services for the increased population as follows: Unit Management $4,649,000; Education $1,040,000; Leisure Activities $531,000; Religious Programs $192,000; and Psychology Services $120,000.

Activation of New Facilities. In addition, 552 positions, 118 workyears and $11,230,000 are requested to permit the activation of new facilities scheduled in 1995 as follows:

Facilities:	Estimated Activation Date	Unit Management Pos.	Unit Management WY	Unit Management $000 Amount	Education Pos.	Education WY	Education $000 Amount	Leisure Pos.	Leisure WY	Leisure $000 Amount
Activation of New Facilities:										
Beckley, WV (1,536 beds)	4/95	60	16	$1,422	25	6	$572	12	3	$315
Oklahoma Detention Center (1,043 beds)	4/95	38	16	1,810	7	3	319	4	2	234
Butner, NC (992 beds)	4/95	36	1	64	14	0	55	7	0	31
Waseca, MN (1,150 beds)	4/95	36	13	1,465	13	5	410	7	2	320
Carswell AFB, TX (450 beds)	4/95	21	10	612	8	4	290	6	3	227
Coleman, FL (Minimum 512 beds)	7/95	17	1	50	6	0	19	3	0	8
Fort Devens, MA (806 beds)	7/95	29	8	953	9	2	254	5	1	199
Coleman, FL (Low 1,536 beds)	9/95	36	2	95	14	1	39	7	0	17
Coleman, FL (Medium 1,152 beds)	9/95	36	2	94	14	1	37	7	0	17
Subtotal, New Activations (9,177 beds)		309	69	6,565	110	22	1,995	58	11	1,368

Facilities:	Estimated Activation Date	Unit Management Pos.	Unit Management WY	Unit Management $000 Amount	Education Pos.	Education WY	Education $000 Amount	Leisure Pos.	Leisure WY	Leisure $000 Amount
Activation of Expansions:										
Sheridan, OR Detention (188 beds)	1/95	7	2	150	0	0	6	0	0	3
Seagoville, TX Detention (188 beds)	6/95	7	1	53	0	0	3	0	0	2
Safford, AZ (120 beds)	8/95	6	1	57	1	0	13	1	0	10
Subtotal, Expansions (496 beds)		20	4	260	1	0	22	1	0	15
TOTAL, Activations (9,673 beds)		329	73	6,825	111	22	2,017	59	11	1,383

Facilities:	Estimated Activation Date	Religious Pos.	Religious WY	Religious $000 Amount	Psychology Pos.	Psychology WY	Psychology $000 Amount
Activation of New Facilities:							
Beckley, WV (1,536 beds)	4/95	3	1	$100	5	1	$106
Oklahoma Detention Center (1,043 beds)	4/95	2	1	104	5	2	137
Butner, NC (992 beds)	4/95	2	0	9	5	0	14
Waseca, MN (1,150 beds)	4/95	2	1	109	5	2	139
Carswell AFB, TX (450 beds)	4/95	1	1	49	2	1	60
Coleman, FL (Minimum 512 beds)	7/95	1	0	3	3	0	12
Fort Devens, MA (806 beds)	7/95	1	1	61	2	1	53
Coleman, FL (Low 1,536 beds)	9/95	2	0	6	5	0	17
Coleman, FL (Medium 1,152 beds)	9/95	2	0	6	5	0	17
Subtotal, New Activations (9,177 beds)		16	5	447	37	7	555
Activation of Expansions:							
Sheridan, OR Detention (188 beds)	1/95	0	0	2	0	0	0
Seagoville, TX Detention (188 beds)	6/95	0	0	1	0	0	0
Safford, AZ (120 beds)	8/95	0	0	0	0	0	0
Subtotal, Expansions (496 beds)		0	0	3	0	0	0
TOTAL, Activations (9,673 beds)		16	5	450	37	7	555

The activation dates listed above are the best estimates available at this time. It is important to remember, however, that they are estimates and may be subject to change over the course of the project if impacted by uncontrollable events. To avoid delays in acceptance of inmates, it is necessary to staff facilities a minimum of three months prior to activation, and equipment which requires long lead time is ordered at least six months prior to activation.

Finally, there are reductions of 8 positions, 8 workyears, and $2,883,000 for this program consistent with the realigning of resources from Tyndall, Florida, Administrative reductions, and FY 1994 Locality Pay absorption.

Activity: Inst. Security & Maintenance	1994 Availability Perm. Pos.	1994 Availability WY	1994 Availability Amount	1995 Base Perm. Pos.	1995 Base WY	1995 Base Amount	1995 Estimate Perm. Pos.	1995 Estimate WY	1995 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Institution Security & Maintenance...	11,899	11,082	$643,501	11,899	12,071	$750,875	13,513	12,380	$777,749	1,614	309	$26,874

LONG RANGE GOAL: Provide institution security, inmate control, and inmate supervision to assure maximum protection for the community, staff, and inmates consistent with program requirements in all BOP facilities. Continue preventive maintenance program, provide continuous service of all utilities in the most energy efficient manner, and provide transportation services in support of institutional operations ensuring maximum protection.

MAJOR OBJECTIVES: Reduce or minimize the situations and opportunities which can lead to prohibited acts such as escapes, homicides, assaults, suicides, and drug transactions.

Maintain an effective transportation system for prisoners in conjunction with the U.S. Marshals Service.

Maintain and operate telecommunication and transportation services.

Maintain the interior of all buildings such as plumbing, electronics, masonry, mechanics, carpentry and painting.

Maintain the exterior of all buildings including landscaping, gardening, fence repair and painting.

Implement motor vehicle management program.

Purchase utilities or maintain and operate utility systems and central power plants.

BASE PROGRAM DESCRIPTION: All institutions are assigned a security classification based in part on the physical design of each facility. In 1991, BOP reduced the six level security classification system to the current four security levels. The four security levels are minimum, low, medium and high. Additionally, there is an administrative category for specialized populations such as pre-trial, medical, etc. A separate classification system for females has been developed based on extensive research which indicates that female offenders generally do not require the same degree of security as male offenders.

Offenders are assigned a custody status which relates to the degree of supervision needed and ensures that offenders are placed in the least restrictive and least expensive correctional environment appropriate to their custody and security level needs. Each inmate is tracked through our SENTRY Information System. The result is a grouping of offenders with similar custodial needs in an institution. This significantly reduces the mixing of predatory and non-predatory offenders.

Within each institution, correctional officers are assigned to security posts which are primarily established on the basis of structural/visual considerations. The two basic categories of security are perimeter security and internal security. Perimeter security consists of a walled or fenced perimeter, supplemented by manned security towers, razor wire strung between a double fence, high mast lighting to illuminate the perimeter, motorized perimeter patrols and highly technical equipment such as alarm systems, and video surveillance. Entrances through the perimeter are controlled by a series of gates, both electrical and manual, supplemented by metal detection systems and search procedures for weapon and contraband control. For all practical purposes, all other security measures, processes and activities can be called internal security, commencing when an inmate is committed and terminating upon his/her release. Supervision of inmates is provided in living units, visiting areas, dining halls, recreation areas, and any other area where inmates may be located or have access.

Regularly scheduled counts are conducted several times a day in all institutions in order to monitor the whereabouts of inmates. Work supervisors and program personnel are held strictly accountable for all inmates under their supervision.

Violations of institution regulations are dealt with through the Inmate Disciplinary Process. Correctional staff investigate the incident, prepare a report and submit it to the Unit Discipline Committee. Depending on the seriousness of the charge, the Unit Committee may hear and decide the case or refer it to the Discipline Hearing Officer for appropriate action. An administrative remedy process provides for appeals to decisions of the Committee.

The Administrative Detention program provides for the seperation of offenders from the general population who require special protection and for those who pose a serious escape risk or threat to the security and orderly operation of the institution. The Disciplinary Segregation Program provides for segregation of offenders who have committed serious prohibited acts within the institutional setting. Inmates who have committed serious prohibited acts are held in segregation only after a due process hearing where the inmate is given the opportunity to rebut the charges.

The maintenance program covers the requirements for adequately maintaining and operating the physical plants of BOP. Facilities vary in age from recently constructed to those 100 years old. Nearly fifty percent of the facilities are more than 30 years old, which is the expected life of buildings without major upgrading and renovation. As of January 5, 1994, BOP facilities are situated on approximately 24,201 acres and contain approximately 22.6 million square feet of floor area, all of which must be maintained and furnished utility services. Complex heating and air conditioning systems, high pressure steam power plants, sophisticated hospital equipment, emergency electrical power systems and fire protection and life safety systems all require regular maintenance. Each institution maintains communication systems including complete private automatic branch exchange telephone systems, radio systems including base station and mobile units and several electronic detection and control systems. Additionally, this program provides for the maintenance and operation of approximately 3,500 vehicles. Requirements are identified through regular inspections conducted in the on-going preventive maintenance program; formal semi-annual inspections; and through requests for specific needs identified by institution staff members. This program finances maintenance projects estimated to cost $4,000 or less. Maintenance requirements in excess of $4,000 are included in the "Modernization and Repair" program of the "Buildings and Facilities" appropriation.

The work within this program is accomplished almost entirely by inmate crews under staff supervision. Each work crew consists of a staff foreman and five to fifteen inmates. Each institution must have highly skilled staff with experience and training in every phase of construction and maintenance work including steamfitters, air conditioning mechanics and electronics repair. A few specific jobs are contracted out because special skills or equipment items are required, or because the work may be extremely dangerous. Examples of these jobs are elevator inspection and repair, radio frequency alignment, and water tower painting.

ACCOMPLISHMENTS AND WORKLOAD: Actual and estimated accomplishments of these programs are presented in the following table:

	1992	1993	Estimates 1994	Change	1995
Institution Security:					
Staff to inmate ratio[1]:					
Morning watch (midnight to 8:00 AM)	1:65	1:65	1:65	...	1:65
Day watch (8:00 AM to 4:00 PM)	1:25	1:25	1:25	...	1:25
Evening watch (4:00 PM to midnight)	1:35	1:35	1:35	...	1:35
Escapes from secure institutions	3	6	7	...	7
Escapes from other (i.e., camps, CCC's, furloughs, transfers...)	553	525	578	58	636
Assaults	1,146[2]	1,700	1,870	187	2,057
Suicides	8	8	8	...	8
Homicides	4	7	9	...	9
Institution Maintenance:					
Major maintenance projects completed[3]/ ($1,000-$4,000)	1,055	1,193	1,100	(81)	1,019
Minor maintenance projects completed[3]/ (less than $1,000)	244,829	248,116	243,153	(4,863)	238,290
Preventive Maintenance[3]/	291,200	381,726	400,813	20,041	420,854
Power Plants operated	39	42	43	3	46
Energy Consumption:					
Electricity (KWH) (in Millions)	445.7	510.1	586.5	44.0	630.5
Natural Gas (cu. ft.) (in Millions)	2,457.3	3,409.0	4,091.0	410.0	4,501.0
#2 Fuel Oil (gal.) (in Millions)	2.0	1.9	1.85	(.05)	1.8
Coal (Tons)	10,509	9,753	7,315	(1,829)	5,486
Propane (gal.)	105,195	114,337	125,771	6,289	132,060
Purchased Steam (lbs.) (in Millions)	6,788.5	5,042.0	3,781.0	(946.0)	2,835.0
Vehicle miles driven (in Millions)	13.7	16.3	18.7	3.0	21.7

1/Staff to inmate ratio is based on FCI El Reno with a population of 1,693.
2/The definition of assault was changed in 1992, so even minor incidents, i.e., spitting on staff, are now included in the figure.
3/BOP is seeing a decrease in the major and minor projects due to an increase in the preventive maintenance.

BOP establishes institution staffing guidelines through on-going full-field reviews which consider the institution's security level, posts such as front entrance, control room, housing units, segregation/detention, visiting rooms, perimeter security activities areas, etc., and rated capacity and overcrowding level. The security staff coverage rate is the percent of institution posts that can be covered with available staff (workyears). Covering all posts improves security and is a factor in reducing the incidents of negative inmate behavior.

It should be emphasized that the Institution Security Program is on a twenty-four hours per day/seven days per week basis. Staff, as measured in workyears, must be distributed between three work shifts as identified in the workload table on the previous page as morning, day, and evening watch. Thus, a presentation of an overall security staff to inmate ratio (by authorized positions) of 1:7 in 1993 (11,037/79,799) would be misleading. As indicated in the above table, a BOP facility on the average could expect a security staff to inmate ratio of 1:65 on the morning watch, 1:25 on the day watch and 1:35 on the evening watch. In reality, even these ratios are misleading because the staff on duty are assigned to different posts, e.g., control room, housing units, perimeter security, etc. An officer assigned to a housing unit post can expect a 1:150/200 staff to inmate ratio.

The U.S. Penitentiary at Marion, Illinois continues to house the most dangerous offenders in the Bureau of Prisons. Approximately 25 percent of the Marion population is now housed in units whose operation approximates those of other Federal penitentiaries. Because the number of dangerous offenders in BOP facilities continues to grow, BOP will be activating a new 484-bed Administrative/Maximum security facility at the Florence, Colorado complex during Fiscal Year 1994.

As of January 6, 1994, the Bureau of Prisons continues to incarcerate approximately 1,136 Mariel Cuban detainees for the Immigration and Naturalization Service as well as another 529 who are serving Federal sentences. These Mariel Cubans face indefinite incarceration and are an extremely volatile and disruptive force in Federal prisons. The Mariel Cubans were responsible for the 1987 riots at the U.S. Penitentiary, Atlanta, Georgia, and the Federal Detention Center, Oakdale, Louisiana, which resulted in massive destruction of Federal property. They were also responsible for a 10-day disturbance in August 1991 at FCI Talladega, Alabama. The detention of Mariel Cuban detainees continues to present a long-term problem to both the Bureau of Prisons and the Immigration and Naturalization Service.

In coordination with the United States Marshals Service, the Bureau of Prisons maintains a Prisoner Transportation System including the transportation of Witness Security inmates. During FY 1993, the Prisoner Transportation System handled 160,046 moves, an increase of 3,232 over 1992. In addition, approximately 136 Witness Security cases were relocated without incident during FY 1993.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Security & Maintenance.....	11,899	12,071	$750,875	13,513	12,380	$777,749	1,614	309	$26,874

Population Increase. The request includes $1,375,000 to provide for security needs, and $4,532,000 for utilities, trash removal, and maintenance supplies associated with a projected Federal inmate population increase of 8,445 from 84,222 in 1994 to 92,667 in 1995.

Activation of New Facilities. In addition, the request includes 1,635 positions, 330 workyears, and $27,253,000 to provide resources to activate new facilities in 1995 as follows:

Facilities:	Estimated Activation Date	Institution Security Pos.	Institution Security WY	Institution Security $000 Amount	Institution Maintenance Pos.	Institution Maintenance WY	Institution Maintenance $000 Amount
Activation of New Facilities:							
Beckley, WV (1,536 beds)	4/95	204	53	$2,786	50	13	$2,802
Oklahoma Detention Center (1,043 beds)	4/95	145	60	2,726	24	10	2,490
Butner, NC (992 beds)	4/95	143	4	203	27	1	1,942
Waseca, MN (1,150 beds)	4/95	152	56	2,757	27	10	2,820
Carswell AFB, TX (450 beds)	4/95	94	44	1,808	13	6	1,200
Coleman, FL (Minimum 512 beds)	7/95	42	2	102	9	0	30
Fort Devens, MA (806 beds)	7/95	120	31	2,004	13	3	1,133
Coleman, FL (Low 1,536 beds)	9/95	207	10	423	27	1	76
Coleman, FL (Medium 1,152 beds)	9/95	224	10	451	27	1	74
Subtotal, New Activations (9,177 beds)		1,331	270	13,260	217	45	12,567
Activation of Expansions:							
Sheridan, OR Detention (188 beds)	1/95	31	11	$1,001	1	0	$91
Seagoville, TX Detention (188 beds)	6/95	31	1	59	1	0	29
Safford, AZ (120 beds)	8/95	22	3	185	1	0	61
Subtotal, Expansions (496 beds)		84	15	1,245	3	0	181
TOTAL, Activations (9,673 beds)		1,415	285	14,505	220	45	12,748

The activation dates listed on the previous page are the best estimates available at this time. It is important to remember, however, that they are estimates and may be subject to change over the course of the project if impacted by uncontrollable events. To avoid delays in acceptance of inmates, it is necessary to staff facilities a minimum of three months prior to activation, and equipment which requires long lead time is ordered at least six months prior to activation.

Finally, there are reductions of 21 positions, 21 workyears, and $6,286,000 for this program consistent with the realigning of resources from Tyndall, Florida, Administrative reductions, and FY 1994 Locality Pay absorption.

Activity: Contract Confinement

	1994 Availability Perm. Pos.	1994 Availability WY	1994 Availability Amount	1995 Base Perm. Pos.	1995 Base WY	1995 Base Amount	1995 Estimate Perm. Pos.	1995 Estimate WY	1995 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Contract Confinement	216	216	$136,461	220	220	$167,892	226	225	$183,371	6	5	$15,479

LONG RANGE GOAL: To provide, through contract, high quality, and diversified state, local, and private facilities to house all offenders requiring confinement outside the Bureau of Prisons (including Community Corrections Centers, formerly called Community Treatment Centers). Develop innovative Community Corrections programs to assist BOP with institution overcrowding, offender reintegration into the community, and to provide alternative sentencing options for the court.

MAJOR OBJECTIVES: Provide community residential resources to all BOP releasees deemed eligible and appropriate for release to a Community Corrections Center (CCC) for an appropriate length of stay.

Provide placement and special monitoring of Intensive Confinement Center ("Boot Camp") inmates being released to the community.

Provide residential program bed space requested by the Federal courts, the U.S. Probation Service, and the U.S. Parole Commission. Offenders sentenced to one year or less, where appropriate, may be placed in a CCC with Judicial concurrence.

Provide thorough and frequent monitoring of contract facilities while providing training for all contractors every 18 months.

Locate and provide suitable contract facilities to meet the growing needs of the offender population.

Provide accurate and timely information to the Central Inmate Monitoring and Witness Protection tracking system.

Keep the Federal law enforcement agencies aware of changes in BOP policy, sentencing alternatives and other areas of concern.

Maintain close relationships with State and local correctional agencies to exchange information and manage resources.

Provide individual case management services and perform administrative systems functions for inmates confined in contract facilities.

Initiate the designation of Federal offenders to appropriate BOP facilities.

Continue to place all offenders under the age of 18, committed under the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974 and the Sentencing Reform Act of 1984 in appropriate non-Federal juvenile facilities.

Place juveniles near their homes and in community-based facilities whenever possible.

Place appropriate inmates in contract detention centers to reduce institution overcrowding.

House those offenders who are in danger in Federal institutions, in state correctional institutions or other facilities.

House appropriate offenders with sentences of up to 45 days or less in local detention facilities.

Engage community resources in the reintegration of offenders into the community through expansion of current institution volunteer programs as well as to tap into new non-traditional services.

BASE PROGRAM DESCRIPTION: Certain categories of Federal offenders are designated for confinement in state, local and private facilities. These include: Persons committed under the Federal Juvenile Statutes, who must be seperated from adult offenders and placed in community-based facilities near their residence whenever possible; and adult offenders, whose lives might be endangered in Federal facilities (protection cases); and offenders with short sentences (generally three years or less) who are placed in local detention facilities (jails) for service of sentence.

In addition, BOP contracts with State, local, and private community corrections centers for community residential bed space for offenders who are eligible and need a pre-release transition program at the end of their sentences before returning to the community. Since January 1982, BOP has increased the number of inmates monitored by contract CCC's from 1,425 to over 5,200 by January 1, 1994.

Contract confinement is provided for those offenders who the Federal courts determine need more than probation and less than full institution confinement and services; who are under probation or parole supervision but need more intensive services and/or programs than can be provided under the "community" supervision of the U.S. Probation Officer; and who are committed directly from court generally serving short sentences.

CCCs provide services to inmates attempting to establish themselves as fully functioning citizens while still under supervision. Available services include individual and group counseling, supervised living quarters, and employment assistance.

All of the Community Corrections Centers contain three program components, a Pre-Release Component for those offenders entering the community after serving a portion of their sentence in an institution and a Community Corrections Component, which is more punitive and restrictive for all other types of offenders, and a Home Confinement Component, where inmates are permitted to reside at their home and be gainfully employed while continuing in official detention status.

Community Corrections Managers (CCMs) develop contract resources and negotiate and monitor contracts for the boarding of Federal offenders in State and local institutions and in private residential community corrections centers. CCMs also make recommendations for designation of newly sentenced offenders and are responsible for the placement of direct commitments to non-Federal facilities. They provide case management services to all Federal inmates placed in non-Federal institutions, and serve as technical consultants to contractors on BOP policy. In addition, CCMs serve as the BOP liaison with members of the U.S. Marshals Service, U.S. Probation Service, U.S. Parole Commission, Federal courts, other Federal agencies, State and local government agencies and local community agencies. At the end of FY 1993, there are presently 32 Community Corrections field offices throughout the United States.

ACCOMPLISHMENTS AND WORKLOAD: Actual and estimated accomplishments for this program are presented in the following table:

	1992	1993	Estimates 1994	Change	1995
Number of contracts with juvenile facilities	38	31	32	4	36
Number of contracts with adult facilities	52	49	51	2	53
Number of contracts with jails	323	306	316	7	323
Number of contracts with community corrections centers	264	252	261	...	261
Average daily population:					
Contract Detention:					
Juveniles	133	136	140	11	151
Long-Term Boarders (Adult Offenders)	2,403	2,683	2,950	700	3,650
Jail/Detention Centers (Short Termers)	1,198	1,043	1,000	75	1,075
Community Corrections Centers	4,234	4,500	5,300	750	6,050
Total, Average daily population	7,968	8,362	9,390	1,536	10,926

Since 1977, with only minor and unavoidable exceptions, BOP has been able to place all offenders under 18 years of age, as well as offenders sentenced under the Federal Juvenile Delinquency Act and between 18 and 21 years old, in non-Federal juvenile facilities. During 1993, BOP contracted for the confinement of an average daily population of 136 juveniles. We make every effort to place these juveniles in their home or adjacent states which enhances the opportunity to use available community resources and increases opportunities for visits and support from relatives and friends. As of November 4, 1993 BOP contracted for the confinement of 131 juveniles.

In addition, BOP currently uses adult state, local, and county correctional institutions to house an average daily population of over 2,600 adult (Long-Term Boarders) Federal prisoners who need protection, have special needs, or are deportable aliens serving relatively short sentences. The BOP also contracts with Jails/Detention Centers to house short termers and CCC failures. With an average daily population of approximately 1,000 this allows an inmate to remain close to family and at the same time saves the government transportation expenses to and from a Federal institution.

Inmate contributions to the cost of residence in a Community Corrections Center, known as subsistence collections, have increased significantly over the past several years. The amount collected for 1992 was $8.4 million, a substantial increase from 1991, when collections amounted to about $7 million. The amount collected for 1993 further increased to $9 million. In comparison, the 1987 subsistence figure amounted to less than $1 million. In 1988, BOP's philosophy of encouraging inmate financial responsibility was extended to Community Corrections and much greater emphasis was placed on subsistence collections. Inmates in CCC's are now required to pay the contractor 25 percent of their gross income, not to exceed the contract per diem rate. The contractors reduce their bills to BOP by the amount collected from inmates.

BOP is involved in three forms of home confinement (HC). The first and most frequent form of home confinement is the monitoring of the inmate by our network of Community Corrections Centers with these offenders not being monitored by electronic devices. These offenders are in daily telephone contact with the responsible center. Center staff make regular visits to the inmate's residence and place of employment, and the offenders are required to report to the center on a scheduled basis. The second is electronic monitoring through the U.S. Probation System. These programs utilize electronic monitoring devices as supervision tools. Finally, on a much smaller scale, BOP has contracts with local governments to place offenders on electronic monitoring systems. Ordinarily these are pre-release offenders being released to a geographic area where there are no Community Corrections Center resources available.

The total Home Confinement count as of December 30, 1993 was 882, with 794 on Home Confinement through CCCs. The remaining 88 were Electronic HC cases monitored by U.S. Probation.

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The first urban work camp (UWC) was established in October of 1990 in Philadelphia, Pennsylvania, allowing offenders to be placed in a Community Corrections Center for the last 18 months of their sentence. During the first year in the program the inmate is assigned to a Community Corrections component and is required to perform menial labor for a local Federal agency. The only time the inmate is allowed away from the center is for this work assignment or other approved program activity such as substance abuse counseling or religious services. When the inmate reaches six months from release, he or she may then be placed in the Pre-Release component of the center.

Currently, there are female and male UWC programs in Philadelphia, as well as programs at Kelly AFB, near San Antonio, Texas; the VA Hospital in Dallas, Texas; Fairchild AFB, Washington; Naval Air Station, San Diego, California; Fort McHenry, Baltimore, Maryland; the Forest Service, Colorado Springs, Colorado; Fitzsimmons Army Hospital, Denver Colorado; and the Forest Service, Ocala, Florida. As of December 30, 1993, there were 204 inmates in the urban work camp program.

As of October 31, 1993, BOP's Intensive Confinement Center (ICC) at Lewisburg, Pennsylvania, has an average population of 180 male inmates, and has successfully graduated and placed in the community 633 inmates from this program. As of October 31, 1993, there were 281 male inmates in the Community Corrections phase. The female ICC located at Bryan, Texas, was activated in July 1992 and maintains an average population of 120 inmates. Their initial class of 57 inmates graduated on January 13, 1993. As of October 31, 1993, 226 females have graduated and were placed in the community. As of October 31, 1993, there were 193 female inmates in the Community Corrections phase.

A major accomplishment during FY 1992 was the establishment of the National Office of Citizen Participation. The primary function of this office was to engage community resources in the reintegration of offenders into the community through expansion of current institution volunteer programs as well as to tap into new non-traditional services. Since its inception, the office has completed a draft program statement for volunteers, prepared a volunteer handbook, conducted a joint seminar with the U.S. Probation Service on Community resources and created a partnership with the Rainbow Coalition to start mentoring programs. In August of 1993, this office published the Volunteer Guide to the Bureau of Prisons. In addition, this office won the Attorney General's Award for the Most Outstanding Volunteer Program in the Department of Justice in April of 1993. Statistics show the volunteer rate for the Bureau of Prisons went from 4,000 volunteers in 1992 to 7,000 volunteers in 1993.

Other 1992/1993 accomplishments include:

- Awarded the 1,000 bed BOP/INS joint use contract facility in Eloy, Arizona.
- An intergovernmental agreement established in Hinton, Oklahoma for 488 beds. The count as of January 19, 1994 was was 445.
- The Comprehensive Sanction Center (CSC) was fully implemented in Cleveland, Ohio in FY 1993 and a strategic goal has been established of implementing eight CSCs by the end of FY 1994. The CSC project is designed to test a number of initiatives to better meet the needs of offenders in CCCs.
- Implemented and expanded the Community Drug Transitional Services Program. This program consists of intensive out-patient counseling and drug testing throughout transition to community life while in a Community Corrections Center or on home confinement. There are currently over 500 inmates enrolled in transitional services, and this number is expected to double in this fiscal year.
- The Community Corrections and Detention Division is working to secure contract services for pregnant offenders in community based programs located near BOP female institutions. There are currently four active pregnant offender or MINT (Mothers and Infants Together) contracts in Santa Clara County, California, Ft. Worth, Texas, Phoenix, Arizona, and Danbury, Connecticut, with one other site proposed. Women participate in the program at the CCC during their last two months of pregnancy and for three months after birth in order to bond with the child.
- Participated in publication of the "Judicial Guide to the Bureau of Prisons." This publication was updated in March of 1993.
- Developed and implemented the Mariel Cuban Drug Treatment Program at FCI Englewood, Colorado. As of December 1993, 206 Mariel Cubans have successfully completed the program.
- Coordinated with Executive Office of Immigration and Review, and Immigration and Naturalization Service to establish Institution Hearing Programs at 6 Federal sites. The sites include: Leavenworth, KS; La Tuna, TX; Oakdale, LA; Lexington, KY; Dublin, CA, and Big Spring Contract Detention Center, TX.

- Assisted Silbert and Associates with the development of "Innovative Correctional Programming of a Mariel Cuban.", a summary report with recommendations regarding program needs of Mariel Cubans.

- A video teleconference was conducted in August 1993. It was designed to address the services provided to offenders while in a community based program. The estimated audience of 2,000 included BOP, U.S. Probation and CCC staff.

PROGRAM CHANGES:

	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Contract Confinement.....	220	220	$167,892	226	225	$183,371	6	5	$15,479

Community Corrections Managers. BOP is requesting 6 positions, 5 workyears and $414,000 to help manage the new 1,000 bed joint Bureau of Prisons/Immigration and Naturalization Service contract facility.

State and Locals. BOP is requesting $207,000 for an increase in the average daily population as well as general inflation. For FY 1994, there was no additional funding to support the increase in the average daily population. Therefore, the actual increase is 205 new beds from 1993 to 1995.

Community Corrections Centers. Finally, BOP is requesting $12,379,000 for an increase in the average daily population as well as general inflation. In FY 1995, BOP is anticipating an additional 750 inmates as a result of our continued push to relieve institutional overcrowding and expand alternative sanctions. Once again, there was no increase in FY 1994 to support the increase in the average daily population. Therefore, the actual increase in population is 1,050 for FY 1994 and FY 1995. The new Community Corrections Center policy stipulates that graduates of the Comprehensive Institutional Drug Program should normally be considered for the maximum period (180 days) of CCC placement.

Cuban-Haitian Entrant Program (CHEP). CHEP is being transferred from the Community Relations Service to BOP which will consolidate the detention of criminal aliens under one DOJ component. For this program, $2,591,000 is requested for the reception, processing, and care of Cuban entrants.

Finally, there are reductions of $112,000 for this program consistent with Administrative goals and FY 1994 Locality Pay absorption.

Activity: Institution Admin., Mgmt and Training

	1994 Availability			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration, Management and Training.....	4,687	4,252	$421,159	4,689	4,869	$483,847	5,120	4,940	$512,711	431	71	$28,864

LONG RANGE GOAL: To provide effective, comprehensive direction, and leadership to the Bureau of Prisons (BOP) by coordinating, initiating and evaluating planning and operational activities through the various central office divisions, regional offices, institutions, and the executive staff. To continue to provide effective and innovative administration at all institutions and continually seek ways to improve existing administrative practices and procedures.

To provide staff with the knowledge, skills, and abilities necessary to maintain a safe, secure, productive, and efficient correctional environment. To provide all staff with development opportunities to meet the future challenges of BOP and encourage personal growth and job proficiency.

Provide for effective personnel administration including equal employment opportunity; an efficient and responsive financial management system including procurement and property management; and systems support administration and oversight.

MAJOR OBJECTIVES: Provide executive direction and control at the Central Office, Regional Offices, Institutions, and Training Centers;

Establish, enunciate policy, and provide National procedures to implement policy;

Plan, develop, coordinate, and evaluate BOP programs and activities; increase efficiency and program effectiveness;

Provide legal counsel relating to correctional management issues;

Review local labor contracts as they are negotiated assuring compliance with master agreement prior to approval;

Complete analysis of all Merit System Protection Board and arbitration decisions of the past 12 months to determine patterns and identify potential problems;

Maintain effective procedures for the processing and disposition of Federal offenders; maintain inmate records;

When necessary and appropriate, assist State correctional systems, the District of Columbia Department of Corrections, the U. S. Marshals Service, the Immigration and Naturalization Service, and other jurisdictions experiencing difficulties by housing their offenders;

Maintain an effective workforce and administer personnel policies. Implement an active career counseling and development program for staff to meet BOP's future and current needs;

Provide supervisory, managerial, and executive training programs to meet the developmental and proficiency needs of BOP managers;

Provide for equal employment opportunity ensuring the representation of minorities and women in the workforce, and increase the number of minorities and women promoted to management and supervisory positions;

Implement extensive cultural diversity and foreign language programs in order to effectively manage the increasingly diverse inmate and employee population;

Provide introductory correctional training, continuing advanced correctional skills training, technical, professional education, and job specialty training; provide instructor skills and training-for-trainer programs to all local and national training instructors to ensure quality programs;

Provide institution-based operations training to all staff to enhance emergency responsiveness, facility security, and correctional skills proficiency;

Develop and monitor a National Network of Volunteer Language Translators;

Implement alternative training delivery methods and new technologies to supplement existing classroom instruction;

Develop working relationships with higher learning institutions and State and local correctional agencies to investigate new and more efficient approaches to staff development, enrich BOP's efforts and assist others in law enforcement training;

Investigate alleged employee misconduct;

Respond effectively to public and Congressional inquiries;

Facilitate strategies for Advanced Procurement Planning; procure all goods and services to BOP by maximizing full and open competition;

Develop, formulate, and defend Bureau of Prisons formal budget submissions to the Department of Justice, Office of Management and Budget, National Drug Control Policy, and Congress;

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Provide current and accurate financial management, including the administration and control of funds and positions appropriated to BOP, with emphasis on program manager involvement in the management of funds;

Continue to enhance SENTRY and personal computer applications;

Maintain standards for safe and healthy working/living conditions; provide for a Drug Free Workplace;

Process all official and inmate mail.

BASE PROGRAM DESCRIPTION: This budget activity covers costs associated with the general administration of facilities and provides funding for 74 institutions, six regional offices, a central office, and three residential training centers. Included are functions of the executive staff; regional and central office program managers; Warden offices; personnel management; equal employment opportunity; financial management; records office; safety; staff training; mechanical services; motor pool operations; power house operations; procurement and property management; records management; mail; printing and reproduction; space management; research and evaluation; program analysis; budget development; budget execution; policy development and implementation; systems support; ADP services; and legal services.

The Bureau of Prisons is managed from a Central Office in Washington, D. C., where the Director, Assistant Directors, and Assistant Director/General Counsel guide the agency's headquarters functions, and six regional offices, each of which is led by a Regional Director. The Executive Staff, which includes the Director, Assistant Directors, and Regional Directors meet every other month to review all major issues and determine policy for BOP. The Management Staff at each institution including wardens, associate wardens, and executive assistants, provide overall direction and implement policies. Staff training is provided on site at each institution; at three residential training centers; through external training provided by the Office of Personnel Management, National Academy of Corrections, other Federal agencies; by colleges/universities; and by private agencies.

BOP sets and enforces high standards of personal and professional conduct in its workforce. The Office of Internal Affairs, reports to the Director and provides liaison and investigative assistance to the Department of Justice's Office of the Inspector General (OIG) regarding allegations of waste, fraud, mismanagement, and improper activities on the part of agency employees. Investigations that may lead to criminal sanctions are also coordinated by either the OIG or the Federal Bureau of Investigation.

The Office of General Counsel and Review provides legal advice, assistance, and representation to officials of the Federal Bureau of Prisons and Federal Prison Industries in the areas of Commercial Law, Legislative and Correctional Issues, Litigation, Employment Law and Information, and Legal Administration.

The Community Corrections and Detention Division provides programs and facilities for Federal offenders serving their sentences in non-Bureau of Prisons locations. The Division has an instrumental role in the designation of new offenders BOP and to non-BOP facilities; develops and manages contract residential resources that provide pre-release assistance for inmates who are nearing their eventual release date, an option to institutional confinement for certain short-term offenders, and a structured environment for certain probationers, parolees and supervised releasees who need more assistance and supervision than can be provided by community supervision; develops and provides oversight to contract resources that provide secure confinement for all sentenced Federal juvenile offenders; long-term Federal inmates confined in non-Federal institutions, and detention of Federal offenders serving short sentences; maintains working relationships with U. S. District Courts, U. S. Probation, U. S. Marshals Service, U. S. Parole Commission, U. S. Attorneys, State, and local government agencies for the purpose of processing offenders into and out of the Bureau of Prisons; and the Division is charged with providing inmate systems and case management services to offenders in non-BOP facilities, and providing technical assistance to State and local criminal justice agencies, while serving as general liaison between the BOP and the public.

The Correctional Programs Division ensures a safe, secure institution environment for inmates and staff and encourages inmate population activities and programs designed to eliminate idleness and instill a positive work ethic. The Division provides leadership and policy direction to programs and operations related to five areas: Correctional Services, Correctional Programs, Psychology Services, Religious Services, and Inmate Systems Management.

The Correctional Services Branch has primary responsibility for security and custody issues. This includes oversight for emergency preparedness (to include Special Operations Response Teams), locksmith operations, inmate discipline, the urinalysis program, inmate transportation, and the intelligence gathering network. Additionally, this Branch is responsible for monitoring and revising all Program Statements applicable to the Correctional Services discipline and developing specifications for all contracts pertaining to weapons, chemical agents, and emergency equipment. This Branch continues to seek

ways to reduce violence in BOP facilities, handling disturbances, controlling drug introductions, operating and maintaining security posts within Federal institutions, and enhancing the intelligence network for the detection and prevention of security hazards and the commission of crimes on Federal property.

The Correctional Programs Branch is responsible for planning, documenting, monitoring, and providing the delivery of correctional programs and services to inmates. The Branch provides guidance, instruction, and technical support to field staff in the areas of Witness Security cases which ensures the safety of government witnesses, the central inmate monitoring system, unit management issues and training, case management, policy development, Victim/Witness and Financial Responsibility Program, and population issues. This Branch ensures inmates are placed in an institution commensurate with their security and custody requirements and also coordinates and implements individual pre-release planning for inmates' successful reintegration into the community.

The Psychology Services Branch is responsible for drug abuse treatment program initiatives through standardized drug education programs, comprehensive treatment programs, and transitional services programs. This Branch also has responsibility for psychology services, hostage negotiation training, the suicide prevention program, psychological evaluations for the community Witness Protection Program, employee assistance program, and victims assistance training.

Inmate Systems Management (ISM) provides professional, accurate, and timely ISM services to inmates and staff, working within the standards of the Bureau of Prisons, including accurate computing of sentences, proper processing of inmates and property through receiving and discharge; provides U. S. Mail services; assures special care is taken to detect the introduction of contraband and to ensure that all inmates are released on the correct statutory release date. In addition, Inmate Systems Management provides paralegal services for answers to show cause orders; determinations in sentence computation problems; interpretations of court orders; representation of the institution in court matters pertaining to inmate records; and providing expert testimony regarding sentence computation.

The Chaplaincy Services Branch facilitates opportunities for Federal inmates to pursue their individual religious beliefs and practices, and extends this mission of pastoral care to institution staff members as their personal spiritual needs may require. This Branch has provided extensive educational materials to ensure that BOP maintains proactive provision for all faith groups in light of the Religious Freedom Restoration Act and the American Indian Religious Freedom Act of 1993. As of January 11, 1994, there are 167 Chaplains serving BOP's 74 institutions.

The Health Services Division has three missions relating to its concern and responsibilities in medical care, safety and environmental health, and food services. Health care branch provides essential medical, dental, and mental health services to inmates by professional staff consistent with acceptable community standards. Safety and environmental health branch is responsible for providing and maintaining a safe and healthful environment in which staff and inmates can work and live. Through regularly scheduled inspections and ongoing training programs the safety program plays a major role in the daily operations of the Bureau of Prisons. Food service branch provides healthy, nutritionally sound, and appetizing meals that meet the needs of the general population and those at nutritional risk.

The Human Resource Management Division (HRMD) is responsible for the development, implementation, and administration of a merit system for Federal employees which includes recruiting, examining, selection, training, and promoting individuals on the basis of their knowledge, and skills regardless of their race, religion, sex, political influence, or other factors. HRMD also establishes Bureau-wide personnel policies that meet legal and regulatory requirements of the Federal Government.

HRMD coordinates national recruitment efforts to ensure a pool of qualified candidates for all positions; plans, develops, and implements Affirmative Action Plans to ensure that all employees are treated fairly, equitably, and with care and consideration; develops and operates a nationwide staffing program for the processing of job applications; manages six nationwide Office of Personnel Management registers to provide timely processing of applications for those seeking employment with BOP; maintains registers for Correctional Officer, Correctional Treatment Specialist, Clinical Psychologist, Counseling Psychologist, Physician Assistant, and Medical Doctor; develops an effective correctional workforce through challenging staff development experiences; designs and implements management and executive level development programs to meet leadership needs; provides expert advice and guidance on matters relating to the employees' union, employee grievances, and employee disciplinary actions; ensures all employees are properly classified and receive all benefits, rights and entitlements.

BOP operates a training academy at the Federal Law Enforcement Training Center, Glynco, Georgia, which provides introductory correctional training for all new employees. The training academy provides facilities for the housing of students, training in firearms and self-defense. Course materials are organized and written, and provide instruction on abnormal behavior, community programs, counseling systems, the dynamics of prejudice, equal employment, legal issues etc. BOP also conducts programs at the Federal Law Enforcement Training Center Satellite facility in Artesia, New Mexico. This training

center offers advanced correctional skills training, such as bus operators, armed escort, and spanish language training, as well as courses for required instructor certification in such areas as firearms, self-defense, and disturbance control.

Most of the BOP's meetings, workshops, and managerial and technical training are held at the Management and Specialty Training Center in Aurora, Colorado. A wide range of courses are available for supervisors and program managers and for trainers who conduct the institutions training programs. These include courses for equal employment opportunity counselors, unit managers, correctional supervisors, and others.

Approximately 80 percent of BOP's training is conducted on site at the institutions. Each institution has an Employee Development Manager who plans, manages, and organizes the institution's training programs. Certain institution conducted courses are required by national policy. For example, each new employee must be given at least one week of orientation training immediately upon entry-on-duty. Each experienced employee must be given correctional refresher training each year in such subjects as self-defense, disturbance control, firearms, fire protection, and inmate supervision. Each new case manager and unit manager must complete a self-study course in case management operations within sixty days of appointment. Most other positions also have mandatory training requirements.

The Information, Policy, and Public Affairs Division facilitates the use and dissemination of information within BOP and to external constituents, including Congress, other components of Federal, State, and local governments, members of the criminal justice community, the media, and the general public. The Division includes offices of Public Affairs, Research and Evaluation, Information Systems, Policy Review, Documents Control, Security/Technology, Archives, and the Office of External Liaison.

The Office of Public Affairs is responsible for public information, public and media relations, Congressional liaison and communications functions and provides a wide range of public information services to the media, the public, and other organizations; coordinates major media contacts; responds to numerous inquiries from news organizations; compiles a detailed weekly report from the Director to the Attorney General; conducts a legislative liaison program that includes coordination with the Department's Office of Legislative Affairs; maintains direct contact with Members of Congress and their staffs; responds to Congressional inquiries and concerns, as necessary; processes written and telephonic Congressional inquiries regarding BOP operations throughout the country; works with the Federal Judicial Center in coordinating Sentencing Institute Seminars for Federal judges; develops written communications for Bureau-related information, and prepares informational videotape programs; develops projects that enhance public knowledge of BOP and its programs; and coordinates information regarding Community Relations Boards in BOP institutions nationwide.

The Office of Research and Evaluation provides information relevant to current and future questions in the field of corrections through social science research which include analyzing current and proposed government policies, conducting studies, developing and maintaining information systems, maintaining the Central Office Library, producing and distributing reports, responding to information and technical assistance requests, and processing research proposals. The Research Office generates and distributes reports on such topics as recidivism, institution social climate, substance abuse problems of inmates, shock incarceration, electronic monitoring of offenders, and the relationship of work and vocational training of inmates to post-release employment and criminality; responds to requests for information or technical assistance from BOP staff and outside agencies; and generates data on such issues as population projections, inmate classification, inmate misconduct, non-citizens, low-risk segments of the prison population, and gender bias.

The Office of National Policy Review is responsible for quality assurance review of BOP's directives before issuance and for mentoring central office staff in directives issuance. It maintains a database and reporting system that tracks BOP policies being developed or revised. It provides staff training and consults with central office staff about every aspect of policy development.

The Office of Security Technology is responsible for identifying, evaluating, assisting, and developing security/technology initiatives and equipment within BOP; centralizing the identification and screening of new equipment and technology for potential use; establishing relationships with other Federal and State law enforcement agencies; responding to field requests for technical solutions to operational problems; coordinating evaluations with other BOP branches, divisions, regions and institutions potentially affected; distributing information to institutions and offices regarding the results of evaluations and tests; and establishing standards for the use of security systems.

The Office of Information Systems ensures the provision of modern, automated data and information systems for all BOP locations including computer services, application system development, technical support, personal computer support, financial systems, and field support.

The Office of Documents Control (ODC) is responsible for system wide management of directives, forms, printing, and electronic publishing, with an operational responsibility for central office mail and reproduction services. ODC also monitors the volunteer translator system.

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The Archives Office conducts historical research; develops, books, articles, and special presentations on BOP history for both internal and external audiences; responds to requests for historical information and records from BOP offices, other Federal agencies, and the general public; collects and preserves historical records and artifacts and coordinates Bureau-wide records disposition guidelines. Specific projects include production of a records manual, development of exhibits at Alcatraz, BOP facilities and other sites, and completion of a book of essays on prison history for use as an education tool.

The Office of External Liaison coordinates and advises on international issues of interest to BOP, maintains liaison with Foreign governments and international organizations requesting technical assistance, advice and information, and assists other U. S. Government agencies in their efforts to provide international assistance.

The Program Review Division facilitates organizational self-assessment by BOP managers to determine strengths and weaknesses; gathers information about BOP operations in a consistent and objective manner; provides accurate, relevant information to management in a timely manner; provides training, insight and strategies to assist management in the strategic planning process and the efficient, effective gathering, monitoring and sharing of data; coordinates and monitors appropriate oversight activities of audit and regulatory authorities; and ensures that effective management and operational procedures exist throughout the Bureau of Prisons.

The Program Review Branch reviews compliance with the laws, regulations and policy, adequacy of controls, efficiency of operations, and effectiveness in achieving program results, including exploring and developing all pertinent and significant information necessary to properly evaluate, support, and present findings. Through this process, the Branch is able to provide assurance that BOP programs are operating within policy and are free of fraud, waste, abuse, mismanagement, and illegal acts.

The Competition Advocate seeks to enhance deficit reduction, avoid wasteful spending, and accrue savings to the BOP through various competitive strategies which are designed to reduce contract costs. Savings generated by these strategies may then be used for other vital BOP programs.

The Program Analysis Branch is responsible for monitoring and evaluating BOP programs in order to provide timely and relevant information about specific program performance and Bureau-wide patterns and trends. To accomplish this, program review information is integrated with other data sources which show managers how it can be used to monitor, evaluate, and plan.

The Strategic Management Branch facilitates, monitors, and evaluates the agency's implementation of the Federal Managers' Financial Integrity Act by coordinating management assessments, providing a quality assurance mechanism for the program review process, and organizing the Year-End Management Control Report for the Director, which is forwarded to the Attorney General. The branch provides a liaison service for the Bureau of Prisons' contacts with external audit agencies, such as the General Accounting Office, the Office of Inspector General, and the American Correctional Association. The Strategic Management Branch encourages the implementation of strategic planning through training, publication, and the dissemination of strategic planning updates. The branch assists management in the implementation of the agency Strategic Management Cycle by coordinating Wardens' Advisory Groups; production and distribution of Executive Staff agenda books, agenda items, and teleconference minutes; monitoring progress on execution of approved Executive Staff items; and assistance to agency managers in the development and implementation of strategic goals, objectives, and action plans.

The Administration Division provides the resources and support necessary for BOP to perform in an effective and efficient manner. This includes the development of budget requests, the stewardship of financial resources, and procurement and property management; the design and construction of new correctional facilities, as well as the renovation and maintenance of existing facilities; and other administrative support services required by the organization.

The Budget Development Branch formulates BOP's resource requests; justifies the budget estimates by preparing formal budget submissions, written testimony and detailed data which support the agency's funding requests before the Department of Justice, the Office of Management and Budget, and the House and Senate Appropriations Subcommittees; and participates in the formulation of BOP's long-range Capacity Expansion Plan.

The Budget Execution Branch ensures operation within the appropriated funding and position levels by developing and overseeing adequate monitoring and control mechanisms; develops national policy to ensure compliance with requirements and instructions issued by agencies such as the Department of Justice, Office of Management and Budget, the General Accounting Office, the Department of Treasury, etc.

Finance ensures that all financial transactions are recorded in an accurate and timely manner in order to produce financial reports necessary to monitor the financial status of the institutions and the Bureau of Prisons; develops BOP accounting policy to ensure compliance with requirements and instructions

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issued by agencies such as the Department of Justice, the Office of Management and Budget, the General Services Administration, the General Accounting Office, and the Department of Treasury; pays BOP central office bills; and develops subsequent financial systems to meet the changing requirements of BOP and to enhance overall operations.

The Capacity Planning Branch coordinates and analyzes information related to capacity planning, covering such varied areas as female offenders, detention needs, medical facilities, population projections, new facilities construction and contract confinement; produces and updates BOP's Capacity Plan, which is the official composite plan for the utilization of correctional capacity; and produces the Federal Detention Plan, which is an interagency plan between the Bureau of Prisons, Immigration and Naturalization Service, and the U. S. Marshals Service.

Facilities Management directs and monitors the existing institution repair and improvement program; establishes policy governing the maintenance of existing facilities; and provides technical support to both BOP staff and outside entities regarding architectural, engineering, and facilities issues.

The Office of Design and Construction is responsible for the budgeting, planning, design, and construction of new institutions for the Bureau of Prisons; develops design and related technical standards and policies for development of new BOP facilities; participates in BOP's long range capacity expansion planning; and provides technical advice and support within BOP and to outside entities related to architectural, engineering, construction, and project management issues.

Procurement and Property develops Bureau-wide procurement policy to ensure goods and services are acquired in a timely manner, within Federal statutory regulations, and at the best value to the Government; provides accurate accountability and control of BOP's property resources, and provides direct national contract services in the areas of community corrections, and new facility construction.

The Site Selection and Environmental Review Branch identifies new sites for correctional facilities, carefully balancing human resource needs, economic and environmental considerations and demographic needs of the expanding inmate population; develops and coordinates national and regional strategies for the identification of appropriate locations, including military bases undergoing realignment or closure, for new Federal correctional facilities; functions as the liaison with State and local officials to garner support for development of proposed correctional facilities; serves as the primary contact for providing information to the Congressional delegation, Federal family, and the media when a new facility is proposed; and coordinates the development of the environmental impact study with the community and the environmental consultant, ensuring that statutory, regulatory and other related Federal requirements are met.

Finally, the Trust Fund provides commissary services, and ensures the financial integrity of the Trust Fund and Inmate Deposit Fund; and implements and manages a Bureau-wide inmate telephone calling program.

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ACCOMPLISHMENTS AND WORKLOAD: Actual and estimated accomplishments for these programs are presented in the following table:

	1992	1993	Estimates 1994	Change	1995
Institution Administration:					
Purchases Under $25,000 (Dollars expended in thousands)	$310,000	$284,392	$345,000	$52,000	$397,000
Contracts Over $25,000 (Dollars expended in thousands)	$564,224	$612,261	$630,000	$15,000	$645,000
Accounting transactions	3,753,170	3,615,360	4,156,696	361,919	4,518,615
Commitments Processed	38,167	43,510	49,601	6,944	56,545
Transfers In Processed	33,868	37,593	41,728	4,590	46,318
Other Movement In (Furloughs, Writs, etc.)	178,112	197,704	219,451	24,140	243,591
Discharges	20,023	22,226	24,671	2,714	27,385
Transfers Out	44,793	49,720	55,189	6,071	61,260
Designations	40,000	42,000	46,000	4,370	50,370
Other Movements Out	165,937	184,190	204,451	22,490	226,941
Movements in the BOP (includes promotions, laterals, transfers, combinations, new hires and separations)	15,845	17,428	20,951	3,143	24,094
Safety Inspections	4,320	4,720	5,191	201	5,392
Accident/Injury Investigations	4,300	4,700	5,170	201	5,371
Fire Investigations	364	375	432	30	462
Environmental Coordination of Hazardous Waste, Recycling Programs, etc.	69	74	80	3	83
Staff Training:					
External Training (Instances of Training)	13,457	9,172	11,100	1,400	12,500
Staff Training Academy - Glynco Training (Instances of Training)	4,523	3,509	4,475	525	5,000
Management and Specialty Training Center Training (Instances of Training)	4,286	4,580	4,202	(105)	4,097
Internal Training (Instances of Training)	159,692	110,000	140,000	25,000	165,000
Management and Administration:					
Policy Statements Issued	31	90	70	30	100
Change Notices	38	40	60	(10)	50
Operations Memoranda	329	350	300	...	300
Tort Claims	3,550	4,135	4,500	400	4,900
FOIA/Privacy Act Cases	5,839	7,369	7,600	200	7,800
Administrative Remedy Cases	27,300	28,907	31,800	3,180	34,980
EEO Cases	134	163	175	15	190
Ethics Training Participants	23,674	14,977	25,000	1,000	26,000
Contract Reviews for Legal Requirements	654	851	1,091	300	1,391
Commercial law protests/claims (new line item)	42	76	102	26	128
Investigations of Alleged Violation of Standards of Professional Conduct	1,406	1,940	2,677	1,023	3,700
Total Number of Lawsuits Filed	1,262	1,394	1,540	110	1,650
Total Number of Lawsuits Pending	5,796	6,498	7,000	300	7,300
Responses to GAO/DOJ, OIG Audits	35	45	50	(5)	45
Management Assessments Completed	70	74	74	...	74
Total Number of Program Reviews	443	441	379 1/	137	516
National Recruitment Activities/Trips	1,004	350	320	(20)	300

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	1992	1993	Estimates 1994	Change	1995
Number of Grievances, Arbitrations, EEO cases, MSPB cases	299	484	509	25	534
Percentage of Women and Minorities in BOP[2]/	47%	47%	48%	2%	50%
Initial Staff Security Investigations	3/	4,350	3,500	1,800	5,300
Five-year Staff Security Re-investigations	3/	4,200	4,600	1,700	6,300
SENTRY Average Daily Transactions (in thousands)	650	750	850	100	950

1/For cost containment purposes, a pilot project was instituted which changed the review cycle.
2/Only minorities were previously counted. Beginning with FY 1992, figures include non-minority females.
3/New workload measure. 1992 figures were not recorded.

The Office of Research continues to enhance the Key Indicators Strategic Support System, an integrated management information system that is currently available to managers on micro-computers at 74 facilities, plus other regional and Central Office locations. The system assists managers in identifying significant trends regarding inmates, staff, financial management, and institutional operations. This system is intended to form the backbone of BOP's internal management and oversight structures in coming years, and will be integrated to virtually every function in the agency. Featuring a uniquely blended system of stand-alone microcomputers using mainframe computer data, key indicators provide BOP managers at all levels with critical comparative data on not only their own operations, but also emerging trends across all organizational levels. Having this information immediately available facilitates prompt, effective management intervention when necessary.

Nearly thirty research reports were written and distributed in FY 1993. The Office of Research anticipates another 30 reports in FY 1994. The reports were on topics such as disruptive group behavior, health status of prisoners, assaults on staff and inmates, female offenders, institution social climate, self-reported substance abuse problems of inmates, the Bureau of Prisons version of shock incarceration--Intensive Confinement Center, electronic monitoring of offenders, and the relationship of work and vocational training of inmates to post-release employment and criminality. Research staff also responded to more than 300 requests for information or technical assistance from BOP staff and outside agencies. Data generated on such topics as population projections, inmate classification, non-citizens, drug offenders, and boot camp inmates were considered by managers in formulating BOP policy and/or programs.

In FY 1993-1995, a major computer programming effort is underway to provide the Office of Research with convenient access to additional automated data for analysis. This effort, for example, will allow research staff to evaluate inmate misconduct and its relationship to other variables such as housing assignments, and recidivism. It will also allow managers who request statistical information to receive it faster and at less expense to BOP.

Each year, the Prison Social Climate Survey (PSCS) is administered to a representative sample of staff across BOP to provide management with information about employee perceptions of their jobs, place of work, and BOP as an organization. Analyses of the social climate data is placed on Key Indicators so that it will be available to managers and administrators.

BOP will continue to work on a project conducted through an interagency agreement with the National Institute on Drug Abuse in an effort to evaluate the effectiveness of drug treatment programs within correctional settings. Research reports, with preliminary findings, have been completed.

Finally, in FY 1993-1995, the research staff plans to evaluate the female classification system, continue to monitor and revise BOP's inmate population and to assess the impact of proposed legislation on that population for use by BOP administrators and sponsors of that legislation, develop a scoring system to assist administrators in minimizing the risk of placing inmates in halfway houses, and continue to evaluate BOP's sex offender treatment program.

During 1993, the Office of National Policy Review regularly provided the Director and Assistant Directors with policy development tracking reports and management indicators, maintained a formal policy liaison with each Central Office division, provided staff training and consultation and quality assurance reviews of policy documentation in the program areas.

In 1992, the Office of Documents Control (ODC) converted all paper policies to electronic format and published current policy on the "BOPDOCS CD ROM." The policy CD ROM is updated and distributed monthly. To eliminate paper and increase staff effectiveness, ODC will also be incorporating many system wide forms on the BOPDOCS CDROM during 1994 and 1995. During 1994, ODC will also be incorporating the directives of other agencies (GSA, OPM, OMB, etc.) to further reduce paper distribution and increase the electronic accessibility by staff to directives. In 1992, ODC established a Network of Volunteer Language Translators to assist in translating non-english documents to english so that staff can have an inexpensive, reliable source for translations as needed.

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During 1992 and continuing into 1993, the Office of External Liaison worked with the Departments of State and Justice to provide technical assistance to the prison systems of Ecuador, Colombia, Jamaica, Romania, Russia, Panama, and Bolivia. Since its inception, the Office also coordinated over 140 foreign visits to BOP offices and institutions representing over 80 countries, and coordinated requests for training at BOP facilities.

The Program Review Division merged the Internal Control Branch with the Strategic Planning Branch in an effort to streamline and enhance agency assessment and planning activities. This produces a global view of agency strengths and weaknesses and provides for more effective planning efforts and programs. The planning process has moved to a continuous one wherein agency objectives are evaluated and changed as needed. The planning process has also incorporated external reporting requirements to streamline and effect better coordination of reporting activities.

The Program Review Division's Strategic Management Branch completed management assessments of all organizational levels of each component within the agency, and review guidelines were developed and published for all high risk areas.

The Program Review Division developed a program review process monitoring system, entitled Program Review Operations TRACKing System (PROTRACKS). The Program Review Branch has implemented cost saving procedures to reduce program review travel costs. A three year review concept has been formulated and will be implemented during the upcoming fiscal year. A pilot is being conducted to ascertain the effectiveness of "reviewing from afar" and the project is designed to test the quality of management indicators.

The Program Review Division created and began to implement a comprehensive set of action plans designed to establish and communicate shared program priorities and measurable indicators to monitor performance; set measurable, shared performance targets; and link our planning, monitoring, and evaluation efforts more closely together.

The Community Corrections and Detention Division (CCDD) implemented several new initiatives regarding alternative sanction and reintegration programs during 1992, and they continued in 1993. An alternative sanctions work group was established to discuss and evaluate possible alternative sanctions and to identify pilot programs. A Parole Violator Sanction Program was implemented and coordinated between the Bureau of Prisons, U.S. Parole Commission, and U.S. Probation Service in the Washington, D.C. and Baltimore, Maryland areas. The program places technical parole violators in CCC's under strict supervision of Probation Officers instead of conventional incarceration in Federal institutions. Additionally, a pilot Comprehensive Sanctions Center has been targeted in the Northern District of Ohio for a myriad of alterative programs such as day reporting, fine restitution, community service, etc.

CCDD is also working to procure regular contracts for pregnant offenders in community based programs to be located near BOP female institutions. In 1992, they established the National Office of Citizen Participation whose primary function is to engage community resources in the reintegration of offenders into the community through new and existing resources.

The Correctional Program Branch, Correctional Programs Division has implemented a new classification system for female offenders. Initial research data indicates many female inmate are eligible for transfer to less secure facilities. Additional FY 1993 accomplishments include: returned an additional 210 inmates to the D.C. Department of Corrections for service of their sentences; restructured division training programs for cost containment purposes; implemented a computerized Digital Photography system throughout BOP which replace the taking of inmate photos. The cost savings for the first year is approximately $126,586 and $2,488,514 over a period of five years; increased drug treatment program participation from 33 percent to 99 percent; piloted a Value's Development Program for inmates at seven institutions which will assist them in developing a more socially acceptable lifestyle after release, thereby increasing public safety; provided enhanced training for BOP emergency response teams to ensure that staff are adequately prepared to respond to various types of emergencies, and; implemented six logistic sites, one in each BOP region, to store emergency equipment.

The Office of Public Affairs developed materials that enhance public knowledge of BOP and its program. They provided information to schools throughout the Nation on corrections and the Bureau of Prisons; distributed informational packages regarding BOP operations; coordinated Sentencing Institute seminars for Federal Judges; and established and maintained crisis hotlines in response to BOP emergencies; and assisted Federal Prison Industries in legislative and high profile Congressional issues.

The Office of Congressional Affairs conducted a legislative liaison program that included coordination with the Department of Justice's Office of Legislative Affairs, met with over 100 Congressional staffers to discuss BOP operations and programs; responded to approximately 7,300 Congressional phone inquiries; coordinated a number of tours of institutions for Members, their staffs and other officials; assisted in BOP preparation for five Congressional hearings; tracked and monitored 164 pieces of legislation that have impact on criminal justice issues; and published numerous reports and booklets pertaining to Congressional and legislative issues. Additionally, OCA coordinated logistics and inmate participation in three Sentencing Institutes for

the 3rd, 4th, 6th, 7th, 10th, and DC Circuits; played an active role in providing logistical support for Federal Prison Industries Blue Ribbon Task Force meetings and Summit; and created intergovernmental cooperative programs with various other Federal law enforcement agencies.

The Office of Communications produced publications and video productions that enhance public and practitioner knowledge about BOP and its programs. Publications include the "Judicial Guide to the Bureau of Prisons," which is designed to assist judges and prosecutors in the sentencing process; the "State of the Bureau" annual periodical; the periodical "Federal Prisons Journal," a professional development journal for researchers and managers; the weekly "Monday Morning Highlights" newsletter; and quarterly "Volunteer Today", a newsletter for and about over 7,000 volunteers who assist so greatly in BOP institutions with educational, religious, counseling, and other activities. The Office completed a number of informational video tape updates designed to provide vital information to staff for use in their work. In addition, a brochure was developed to educate visitors to BOP facilities about BOP programs. The brochure will also be distributed to visitors at the Alcatraz Museum.

The Public Information Office broadened its range of public information services to the media, general public, field offices, and other organizations by reorganizing staff assignments and developing a centralized filing system of pertinent information to more efficiently respond to an increased volume of inquiries about the Federal Bureau of Prisons. Telephone inquiries during the fiscal year increased by 90 percent (an additional 9,000 calls), making the total number of calls for FY 1993 approximately 20,000 (including 2,900 media calls and 3,500 general public calls); written responses were prepared for 1,700 inquiries; and 2,000 newspapers were reviewed for significant informational articles that could be distributed to BOP management staff and the field, or responded to as necessary. The Office conducted media training for agency public information officers at each correctional facility and developed and distributed Media Emergency Guidelines to each facility to assist them in developing Emergency Plans that could be used during crisis situations that may attract significant media attention. The office also provided technical assistance to facilities on a variety of sensitive topics; participated in numerous interviews about BOP (live and on-tape); and prepared 104 weekly Director's reports to the Attorney General and CEO's.

The Office of Public Affairs also coordinated information regarding Community Relations Boards in BOP institutions nationwide. Community Relations Boards provide an open avenue of communication for BOP institutions to their home communities and are an equally effective method for community representatives to learn about BOP and their local institution. Community Relations Boards now operate in the majority of BOP institutions, offering local citizens, government officials, and other interested parties an opportunity to share with facility staff information about issues of mutual interest.

BOP's Office of External Liaison and the International Criminal Investigative Training Assistance Program (ICITAP) continue a program of assistance for the Panama Department of Corrections and have thus far developed and presented an instructional course on perimeter security and an introductory course on basic correctional techniques for staff who will be activating Panama's new 1,000 bed high security prison in La Joya. Other instructional courses throughout FY 1994 are envisioned. BOP participated in international correctional conferences in Poland and Mexico during 1993.

During FY 1993 the Archives prepared 683 letters, reports, and memos, mainly in response to requests for historical information from other BOP components, news media, the general public, and scholars (25% increase over FY 1992, and a 66% increase over FY 1991). In addition, the Archives has made 20 presentations on various aspects of BOP history to both internal and external audiences, published 2 articles on BOP history, completed 2 articles for future publication, completed the manuscript for a book of essays (publication scheduled for Spring 1994), erected 3 temporary and 1 permanent exhibit, and conducted 6 major oral history interviews. Also, the Archives accessioned more than 66.28 cubic feet of records, processed nearly 69.12 cubic feet of records, and coordinated the transfer of 30 series of records to the National Archives.

BOP continued to emphasize and provide ethics training for all BOP staff to heighten awareness of ethics-related issues and to prevent development of not only conflict-of-interest situations, but also circumstances that might give the appearance of such a conflict. Approximately 27,030 staff were trained in calendar year 1992 and approximately 15,000 employees trained in FY 1993.

BOP's policies were upheld in the following significant cases.

In American Federation of Government Employees, et al. v. Roberts, Quinlan, Reno (Nov. 30, 1993), the Ninth Circuit upheld the Bureau of Prisons' drug testing program and reversed in part and remanded the injunction issued by the district court enjoining the drug testing program. The Court of Appeals ruled that the injunction be modified to permit random testing of primary law enforcement employees (those assigned to institutions), of employees who have access to information regarding the Witness Security program or the Witness/Victim program, and to allow testing, based on reasonable suspicion, of all employees subject to random testing in accordance with the criteria set forth in American Federation of Government Employees, Local 2391 v. Martin, 969 F.2d 788 (9th Cir. 1992).

In Washington, et al. v. Reno et al., the U.S. District Court, Lexington, Kentucky, entered a preliminary injunction against the Bureau of Prisons and certified the case as a nation-wide class action suit, challenging the implementation of the Bureau of Prisons new inmate telephone system. On December 7, 1993, the 6th Circuit entered a partial stay on the Department of Justice's motion for a stay of the preliminary injunction.

In Smith v. Hawk, U.S. District Court, Southern District of Georgia, the District Court dismissed a challenge to the Bureau's new inmat telephone system for failure to exhaust administrative remedies, failure to show a violation of constitutional rights, and mootness due to inmate's transfer to an institution not having the new telephone system.

In Farmer v. Brennan, the U.S. Supreme Court, on January 12, 1994, heard argument on the issue of whether under the 8th Amendment an inmate is entitled to damages or to an injunction against prison officials responsible for transferring him to a prison facility where he was sexually assaulted by another inmate. The Bureau of Prison's position citing "deliberate indifference" and a culpable state of mind as the applicable standard was upheld in the District Court and in the 7th Circuit.

In Lester v. Thornburg, Eastern District of Michigan, the Court upheld our policy of not providing a Muslim prisoner a diet similar to the Kosher diet. In addition, the Court ruled that common fare was also sufficient to meet constitutional requirements in the area of religious diets. This decision facilitates BOP's implementation of the common fare policy.

In Fleschig v. U. S., the Court of Appeals for the Fourth Circuit upheld the District Court and ruled that a correctional officer who took a prisoner to his home and raped her was not acting within the scope of his employment for purposes of the Federal Tort Claims Act. The Court also upheld BOP's Program Statement 5538.1 and stated that it is a written statement of its internal operating procedures and does not create per se liability whenever it is not followed.

In Peterson and Balistreri v. Bogan, Eastern District of Michigan, the Court upheld BOP's decision to deny, due to serious security concerns, the request of a former contract teacher for visitation and authorization to marry an FCI Milan inmate.

In Muhammad v. BOP, District of Columbia, the Court upheld BOP's policy on the possible segregation of HIV positive inmates when there is evidence that the inmate may engage in conduct that may pose a risk to others. This decision serves to strengthen BOP's policy in the area of HIV.

In Henthorn v. Department of Navy, et al., District of Columbia, the Court dismissed the inmate's suit and held that his labor performed for the Navy did not make him an "employee" within the Federal Labor Standards Act.

Woodson v. Attorney General, District of Columbia Circuit - The Circuit Court reversed the District Court and interpreted the "old law" statutory good-time (SGT) credit provisions as requiring Federal inmates to accept SGT credit awards when appropriate: the Court held that inmates may not "waive" their SGT credit. The BOP has successfully defended several lawsuits where inmates seek to "waive" their SGT credit for a variety of reasons, e.g., religion, education, avoid serving state sentences.

In Shaptin v. U.S. Department of Justice, et al., where the District Court upheld BOP's procedures for implementing Program Statements and BOP's custody classification process. The court held that the applicable program statement was exempt from the Administrative Procedure Act's notice and comment procedures because it was a general statement of policy that permits prison staff to exercise discretion.

The Office of General Counsel reviews, on behalf of the Deputy Attorney General, applications submitted by state and local entities for certification of their inmate grievance procedure. Six procedures were certified in 1992, with eight additional procedures certified in 1993.

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In January, 1993, the General Counsel and Review Division (OGC) set up a Litigation Management System (LMS) which maintains a current list of all lawsuits filed against the Bureau of Prisons or any of its employees. The system will also aid attorneys and paralegals with the day-to-day management of litigation by maintaining information on all facets of the litigation. The LMS will provide information for various reports, including the number of lawsuits filed, the type of lawsuits filed, and the regions and/or institutions where they are filed.

The OGC has implemented a program to help ensure that the Bureau of Prisons is receiving the best representation possible from U.S. Attorney Offices. Towards this objective, BOP's Legal Staff have developed and begun to provide an Orientation Program for U.S. Attorneys Office Staff. This program covers both criminal issues (e.g., inmate designations, crimes on the reservation, and competency evaluations) and civil issues (e.g., overview of prisoner litigation issues, service of process, and jail time credit). To the extent resources are available, the Office of General Counsel and Review plans to continue providing this service.

Similarly, OGC has worked with the Attorney General's Advocacy Institute to provide a consolidated three-day training program for U.S. Attorney Office personnel on prisoner/pro se litigation. This program is intended to train Assistant U.S. Attorneys handling prisoner litigation in their districts in the procedures and legal issues unique to this litigation. The program is also intended to facilitate interaction between the Bureau of Prisons legal staff and the U.S. Attorney Offices.

The OGC has hosted Legal Education Institute Training Programs as a cost-effective means of providing legal training to its staff while also increasing interactions with members of the Federal legal community.

In addition, OGC recently conducted a program of educational information for the United States Attorneys Offices for Puerto Rico and the U.S. Virgin Islands. To the extent resources are available, OGC plans to continue providing this service.

During 1993, the Capacity Planning Branch updated its major plans: the Short Term Tactical Plan which monitors crowding, its Intermediate Capacity Plan which assumes BOP's construction needs during the period 1993-1998, and the Long Term Plan which facilitates site acquisitions and budget requests. The Branch also developed a comprehensive Female Plan which was approved by the Executive Staff in July 1993.

The Procurement and Property Branch in conjunction with the Veterans Administration negotiated a Prime Vendor Contract for pharmaceuticals for all BOP facilities. The Prime Vendor Contractor is responsible for providing pharmaceutical supplies to all BOP facilities within 24 hours. The Prime Vendor will cut pharmacy costs by reducing inventory maintained on hand; reduce waste (expiration dates, depot returns); provide for standardization of drugs; and, reduce work hours.

In addition, the Procurement and Property Branch created a new section called ADP Contracting, which provides Federal Information Processing (FIP) acquisition expertise, policy and procedure guidance to BOP Regions and institutions.

The Finance Branch developed a working model for an on-line Treasury Payment System which was implemented Bureau-wide during 1993; established a PC Application Workgroup which met to analyze and develop applications which will improve the efficiency of financial management; implemented the American Express Travel Program throughout BOP, developed a Case Management Training Course for new Accounting Supervisors, and completed the first audit of financial statements as required by the Chief Financial Officers Act.

The BOP continues to lend assistance to many state correctional systems experiencing difficulty by housing their offenders. As of January 7, 1994, there are 370 state offenders in BOP facilities. In addition to state prisoners, there are 189 from the District of Columbia and 171 territorial prisoners serving sentences in Federal Prisons. To assist the U.S. Marshals Service in housing unsentenced Federal prisoners due to their inability to renew or negotiate contracts with state and local jails because of overcrowding, the BOP has established or expanded jail units for pre-trial detainees at several institutions. There are 4,543 pre-sentenced detainees in BOP facilities. In addition, at the request of the Immigration and Naturalization Service, the BOP also is housing 1,136 Mariel Cuban detainees.

As of January 7, 1994, 23,185 prisoners are non-citizens, representing 28 percent of BOP's total inmate population.

As of January, 1994, 54 institutions have been accredited by the American Correctional Association for 3-year terms. Three additional facilities are currently being reviewed for initial accreditation and four institutions for re-accreditation. In addition, the Intensive Confinement Center in Lewisburg, Pennsylvania, and the Central Office in Washington, D.C., have entered the accreditation process using standards developed for their special missions.

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The Inmate Financial Responsibility program (IFRP) continued to be successful in its systematic collection program for court-imposed fines, fees, and costs, which otherwise remained unpaid in many instances. The program resulted from close coordination between BOP, the Administrative Office of the U.S. Courts, and the Department of Justice and was implemented system-wide in April, 1987. Under IFRP, BOP encourages each sentenced inmate to satisfy his or her legitimate financial obligations by developing a financial plan which considers both outside assets and their earning capabilities while incarcerated. An inmate's participation in the program is reviewed each time unit staff assess an inmate's demonstrated level of responsible behavior (custody classification, furloughs, halfway house placement, etc.). Currently, in January 1994, there are 22,860 inmates in BOP custody who have been identified as having some type of financial obligation. Of this total, 19,259 (84%) have agreed to participate in the program. Last Fiscal Year, $3,009,431 was collected through inmate institution accounts, with an additional $15,877,318 collected through outside sources. Since its inception in 1987, approximately 76,916 inmates have participated in the IFRP and completed their financial obligations resulting in the collection of over $80,000,000.

ADP Contracting, under the Procurement and Property Branch, is negotiating the BOP's first national contract for Federal Information Processing (BOP's Computer Requirements) resources. The estimated amount of this contract over a four year period is a maximum $57 million.

The Office of Information Systems continues to make enhancements to its SENTRY system to accommodate changes in BOP policy and to provide additional network bandwidth capability needed to handle a growing daily transaction load. SENTRY is the on-line information system used by BOP to provide for most operational and information requirements. SENTRY encompasses inmate data, property management information, a legal reference system, a generalized data collection system and a nationwide electronic mail system.

New SENTRY modules were developed this year to produce official inmate educational transcripts, and to track inmate threat groups within institutions. Enhancements were made to the Inmate Security Designations module, the Morbidity module, and the Sentence Monitoring module.

Analysis and design continues on the SENTRY Inmate Financial Responsibility module and the Inmate Visiting module.

Network speeds were increased from 4800 baud to 9600 to provide the response time needed to handle additional SENTRY transactions associated with new on-line Financial Management Information and Human Resource Management Information Systems (FMIS and HRMIS). A network matrix switch was installed to provide more efficient handling and routing for SENTRY circuits.

A correspondence tracking system for use by all Central Office divisions was developed. Development and distribution of an institution tool room control program was accomplished. SENTRY system logon identification, access and audit trail improvements and conversion to DOJ standard TOPSECRET security software were made bringing BOP into full compliance with DOJ computer security requirements. A Bureau-wide risk analysis was completed for all ADP systems including personal computers. In cooperation with Human Resources, training of all BOP staff in computer security awareness, as mandated by the Security Act of 1987, was completed.

The Out-Patient Pharmacy Management System, the first module of the Health Care Information System (HCIS), that will automate recordkeeping in BOP medical facilities, was distributed throughout BOP. A system to track urinalysis reports for the Correctional Programs Division was implemented.

An access Control/Visiting Room Control system was developed and piloted. All persons entering an institution are accurately identified by comparing the physical structure of their hand and images of their face to information and pictures stored in a PC network-based system.

A digital snapshot system was developed to replace the use of Polaroid cameras and film for inmate snapshots. The system captures an image, stores it in a PC database, and can print the picture on regular paper stock and labels. This will save BOP hundreds of thousands of dollars its first year including the cost to procure the computer hardware, software and video equipment. In out-lying years, BOP will save millions.

The Central Office wide are network now permits electronic mail, documents and data to be transmitted to and shared among all five buildings in Washington that BOP is housed in.

Revisions to BOP's Delegation of Procurement Authority (DPA) from GSA for the BOPNet procurement of hardware and software for Bureau-wide local area networks (LAN's) were requested and approved. The BOPNet interim contract for personal computers and computer networking equipment was awarded to I-NET Incorporated.

All documents for the follow-on three year contract for BOPNet have been completed and the solicitation for proposals went out in December.

Development of the Scheduling module of the Health Care Information System has begun. This will permit the more efficient use of staff and facility resources in Bureau hospitals and clinics.

BOP has begun development of software and computer systems to permit the distribution of mainframe-based data to institution local area networks. When completed, this will dramaticly reduce the amount of staff time presently spent keying the same or similar data into multiple computer application systems.

At the end of 1993, the Bureau of Prisons has approximately 90,000 controlled personal-property items-worth an estimated $193,000,000-entered into the SENTRY Property Management System. Many of these items have been acquired through Government surplus sources. The rapid growth of the BOP in recent years, planned future expansion, and the need for cost containment will make the acquisition of surplus property even more importation to BOP during the next few years.

In an effort to realize cost savings for BOP during FY 1993, the Management and Specialty Training Center (MSTC) implemented a number of strategies which have been extremely cost effective. Examples are as follows: Prior to FY 1993, up to six resource staff were funded for each class that was conducted at the MSTC. For FY 1993, this number was reduced to three. The cost savings resulting from this reduction has been estimated at $322,900. Video teleconferencing equipment (Picture Tel) has been installed at three facilities (MSTC, N.A.C. and Central Office) to provide staff at these locations with an opportunity to conduct brief, two-way training, or lecture sessions without traveling to Denver. This new technology has saved the MSTC an estimated $36,000 on airfare and per diem thus far this fiscal year. Prior to FY 1993, one rental car for resource staff had been funded by the MSTC for each class conducted. For FY 1993, no rental cars were funded and resource staff were encouraged to use MSTC vehicles for transportation. The cost savings realized have been estimated to be $23,000. Participants who have different classes scheduled for consecutive weeks have been authorized to stay in Denver rather than fly home for the weekend. During FY 1993, six OPM classes were scheduled "back to back," resulting in 61 participants staying over the weekend and saving the MSTC airfare in the amount of $24,003. Finally, New Associate Wardens' Training and Program Review Training for Associate Wardends has been combined into one class; thus requiring only one trip to Denver instead of two separate trips. This has resulted in a cost savings of $22,100.

The Office of Security Technology installed a pilot video conferencing system for court procedures in Puerto Rico linking the U. S. Court House in Rato Rey to the Federal Detention Center in Guaynabo. The system will permit the conduct of pre-trial hearings without removing the prisoner from detention. It is expected to improve security while reducing processing and transportation costs. A similar unit is planned for FCI Fairton, NJ. The office also coordinated the installation of a pilot access control entry/exit system at FCI Jesup, Georgia. This system incorporates hand geometry, magnetic strip card, video imaging, and database technologies in a local area network environment. It is designed to ensure the positive identification of all persons entering and leaving the institution and is fully compatible with BOPNet and SENTRY. The Office completed an electronic drug detection pilot, and proposed an NPR Reinvention Lab project for a video conferencing system linking FCI Otisville to New York City to permit attorneys and others to visit inmates without travelling to Otisville.

As of January 10, 1994, the new inmate telephone system has been installed at 43 institutions. This system allows the inmate to direct dial using an access code number. This in turn, debits his/her trust fund account immediately, placing this financial burden on the inmate instead of on family members and friends who previously received collect calls.

The Human Resource Management Information Systems Section successfully completed the major stages of a national conversion of payroll and personnel action processing from the DOJ HRMIS system to the Department of Agriculture's National Finance Center (NFC) system. This Section simultaneously coordinated the conversion of training history data to the NFC system as well. This massive conversion involved the assumption of significant additional duties in the areas of payroll functions, requiring extensive training and procedural development. Accomplished thus far are: training classes, acquisition of necessary computer hardware, development of extensive procedures and internal controls, and DOJ/NFC support during the "live" conversion. A support and maintenance structure is being developed to ensure optimum use of the new system.

Pay initiatives continue to play a major role in the Human Resource Management Division. Pay reform benefits are implemented and monitored; for example, supplemental increases in grades GS 3 - 10 occurred, technical amendments to FEPCA broadened the coverage of pay reform benefits, and an outline for a new pay and classification system for law enforcement officers was developed. HRM staff continues to work on the potential new system. BOP is represented on the OPM Steering Committee for a revised pay system for health care professionals and has been recently granted special Title 38 authority by OPM, as currently enjoyed by Veteran's Administration medical staff. This new pay flexibility should greatly enhance the recruitment and retention and appropriate

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payment of BOP's health care professionals. Other pay issues include conducting the OPM-mandated systemwide review of the pay grades of supervisors, both white and blue collar.

To improve recruitment and retention, the HRMD has worked with OPM to revise the qualification requirements for key occupations, such as Correctional Institution Administrator, Correctional Treatment Specialist and Correctional Officer. At OPM's request, the Staffing Section is developing an entirely new government-wide qualifications standard for the position of Physician Assistant. Additionally, the Division sought from DOJ, and was granted, the ability to approve higher entry rates of pay for highly qualified applicants. To ensure proper retirement planning, the Division has been extremely active in promoting the Thrift Savings Plan and has achieved and maintained a 75% contribution rate for FERS staff.

Established in September 1987, the National Recruitment Office (NRO) continues to perform, coordinate, and monitor specialized recruitment activities for the Bureau of Prisons. NRO's focus remains on military and minority recruitment efforts and on attracting candidates for hard-to-fill positions. Recruitment staff continue to process over 2,000 requests for employment information monthly. At the end of FY 1993, National Recruitment Plan reflects scheduled activities at over sixty military installations and minority campuses nationwide. Targeted print advertisements in selected professional journals, minority publications and military newspapers continue as does BOP's commitment to staff vacancies using the Veterans Readjustment Act hiring authority.

BOP continues to operate its own applicant processing and hiring program for select occupations including critical hard-to-fill positions such as Medical Officer, Physician Assistant and Psychologist in addition to Correctional Officer, the core of BOP, and Correctional Treatment Specialist. Approximately 11,429 applications were processed during fiscal year 1993. It is expected that approximately 16,750 applications will be processed in FY 1994 and an additional 20,000 applications in FY 1995 in order to meet anticipated staffing demands due to the activation of several future facilities. BOP has the largest examining process in the Federal Government outside the Office of Personnel Management (OPM).

A new automated case tracking system has been developed inhouse for LMR research and statistical reporting. An average of 38 new cases (ULP's, grievances, MSPB and EEOC) are handled each month. Intensive training on the new Master Agreement was conducted Bureau-wide.

The Department of Justice (DOJ) delegated the authority to grant Executive Order 104501 Employment Security Approvals and to waive the preappointment full-field background investigation (BI) requirement to the Bureau of Prisons in November 1992. As a result, a centralized security section was activated. Approximately 23,000 BI files were transferred from DOJ to the new unit. A backlog of 1,525 initial investigations and 3,021 reinvestigations has been eliminated, and the program is now current.

The Human Resource Management Division continues to implement its strategic plan to meet BOP's staff development needs during a period of rapid growth. An organizational structure has been put in place to establish appropriate responsibilities for the development, delivery, and support of training services. The program design was completed in the areas of: new manager training, career development for line staff; national needs assessment process; Spanish language skills; and armed escort training, revised basic training, cross development courses, associate warden and warden training, executive development, and a wide range of effective alternative training delivery systems such as correspondence, computer-based, and video television courses. BOP expansion has significantly increased the need for extensive supervisory and management development programs. The agency has initiated: on-site basic supervision training at all facilities, an eight-day residential program for all new managers with extensive testing and feedback built into it, a comprehensive 16 course self-study series for generalist managers, and intensive case study oriented training for new Wardens and Associate Wardens.

At the end of 1993, the Management Preference Profile system included over 3,500 upper management employees on the executive track database. Career planning seminars were presented in all Leadership Forums, New Associate Warden's Training Programs, other management training to enhance managers' understanding of the selection process, and the steps needed for successful career progression. In addition, the Director's Management Development Seminars Series began which consisted of 12 seminars involving public policy and administration as well as leadership and management.

Consistent with recommendations from the National Performance Review and BOP's continued commitment to the belief that employees are its greatest resource, BOP and the American Federation of Government Employees Council of Prison Locals signed a partnership agreement in early February 1994. This agreement is essential to insure that BOP meets its mission and develops the highest level of professional competence in all of its employees. The major highlight of the Agreement is the commitment to move forward toward the development and implementation of a National Partnership Council to implement Executive Order 12071.

In August 1993, the Council of Prison Locals held training for 27 new local presidents from Bureau of Prisons facilities. The new presidents taking part in this annual event have been elected within the last year, and will gather to learn more about the responsibilities of their offices while meeting the people who affect them directly. Training sessions will cover a range of labor-related topics. Leadership, management (of personnel and resources), legal responsibilities, and delegation of authority will serve as some of the more dominant themes for the 7-day training session.

BOP continues to have one of the lowest correctional officer to inmate ratios of any correctional system in the United States. This is possible by requiring basic and continuing law enforcement training for all staff, not just correctional officers, and by utilizing all staff in the supervision, security and treatment of offenders.

In August 1992, BOP's Instructional Systems Design Branch, in cooperation with the Human Resource Management Division's Labor Management Relations Section sponsored a live video broadcast on the new Master Agreement between the AFGE Council of Prison Locals and BOP. The training session was broadcast via satellite from Denver to all BOP facilities. During the live broadcast BOP staff were able to telephone in questions regarding the program. BOP estimates that over 3,000 employees participated in the broadcast. Other initiatives in cost effective, distance training technologies continue. Current efforts include: correspondence courses, self-study courses, video courses, interactive television and computer-based instruction. The use of non-residential training technologies (distance learning) continued in 1992 with computerized certification tests being instituted for cross development courses; enrollments in correspondence courses exceeding 5,100; and the completion of over 6,500 cross development courses.

The BOP has taken a lead role among government agencies in the protection and preservation of the environment. Activities include the establishing of a national recycling program, hazardous waste minimization, and reduction of total waste stream for all BOP institutions. The safety program involves the inspection of institutions for sanitation, rodent infestation, unsafe working conditions, and presence of hazardous chemicals. The safety staff at each institution is responsible for processing accident reports and compensation forms for employees.

The calculated amount of landfill space saved by the Bureau of Prisons' recycling program in 1992 was 28,000 cubic yards. This is the equivalent of 5 1/2 football fields full of trash three feet deep. In 1993, BOP saved 49,014 cubic yards, which would be the equivalent to 9.8 football fields of trash three feet deep. This represents a 75 percent increase over our 1992 accomplishments. By reducing trash volume within BOP through recycling, $126,837 has been saved through cost avoidance of solid waste disposal charges alone. Figuratively speaking, BOP has taken money out of the trash and invested it into the environment. This was accomplished by diverting $132,930, the amount that would have been spent on solid waste/hazardous waste disposal costs, and applying the same monies on waste disposal through recycling contracts. In addition, another $49,625 was realized as profits from the sales of recyclable materials.

In addition to recycling materials, BOP has also made a concerted effort to purchase materials made with recycled content. In FY 1992, BOP purchased $2,947,054 of goods containing recycled material. As of November 1993, BOP purchased $1,687,988 of goods containing recycled material.

PROGRAM CHANGES:	1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration, Management and Training	4,689	4,869	$483,847	5,120	4,940	$512,711	431	71	$28,864

Population Increase. This increase provides $701,000 for the additional inmate record supplies and equipment resulting from a projected population increase of 8,445 from 84,222 in 1994 to 92,667 in 1995.

Activation of New Facilities. In FY 1995, the request includes 454 positions, 94 workyears, and $32,466,000 to activate or expand facilities scheduled for completion during 1995.

Facilities:	Estimated Activation Date	Institution Administration Pos.	WY	$000 Amount	Staff Training Pos.	WY	$000 Amount
Activation of New Facilities:							
Beckley, WV (1,536 beds)	4/95	65	17	$6,534	4	1	$1,002
Oklahoma Detention Center (1,043 beds)	4/95	45	17	5,126	2	1	626
Butner, NC (992 beds)	4/95	53	2	882	3	0	478
Waseca, MN (1,150 beds)	4/95	53	20	5,867	3	1	719
Carswell AFB, TX (450 beds)	4/95	33	15	4,328	2	1	511
Coleman, FL (Minimum 512 beds)	7/95	29	2	120	1	0	3
Fort Devens, MA (806 beds)	7/95	33	8	3,615	2	1	616
Coleman, FL (Low 1,536 beds)	9/95	53	2	133	3	0	7
Coleman, FL (Medium 1,152 beds)	9/95	53	2	130	3	0	7
Subtotal, New Activations (9,177 beds)		417	85	26,735	23	5	3,969
Activation of Expansions:							
Sheridan, OR Detention (188 beds)	1/95	5	2	586	0	0	94
Seagoville, TX Detention (188 beds)	6/95	5	1	506	0	0	92
Safford, AZ (120 beds)	8/95	4	1	411	0	0	73
Subtotal, Expansions (496 beds)		14	4	1,503	0	0	259
TOTAL, Activations (9,673 beds)		431	89	28,238	23	5	4,228

The activation dates listed above are the best estimates available at this time. It is important to remember, however, that they are estimates and may be subject to change over the course of the project if impacted by uncontrollable events. To avoid delays in acceptance of inmates, it is necessary to staff facilities a minimum of three months prior to activation, and equipment which requires long lead time is ordered at least six months prior to activation.

Finally, there are reductions of 23 positions, 23 workyears, and $4,303,000 for this program consistent with the realigning of resources from Tyndall, Florida, Administrative reductions, Government-wide FTE reductions and FY 1994 Locality Pay absorption.

Federal Prison System
Salaries and expenses
Justification of Multi – Activity Program Changes
(Dollars in thousands)

Estimates by Program	1995 Activations											
	Beckley, FCI			Oklahoma City Detention			Butner, NC FCI			Waseca, MN		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Inmate Care	63	16	$3,941	34	14	$4,646	42	2	$1,413	42	16	$4,340
Inmate Programs:												
Unit Management	60	16	1,422	38	16	1,810	36	1	64	36	13	1,465
Inmate Programs	45	11	1,093	18	8	794	28	0	109	27	10	978
Subtotal	105	27	2,515	56	24	2,604	64	1	173	63	23	2,443
Institution Security and Maintenance:												
Institution Security	204	53	2,786	145	60	2,726	143	4	203	152	56	2,757
Institution Maintenance	50	13	2,802	24	10	2,490	27	1	1,942	27	10	2,820
	254	66	5,588	169	70	5,216	170	5	2,145	179	66	5,577
Contract Confinement	0	0	0	0	0	0	0	0	0	0	0	0
Institution Administration:												
Institution Administration	65	17	6,534	45	17	5,126	53	2	882	53	20	5,867
Staff Training	4	1	1,002	2	1	626	3	0	478	3	1	719
Management and Administration	0	0	0	0	0	0	0	0	0	0	0	0
	69	18	7,536	47	18	5,752	56	2	1,360	56	21	6,586
TOTAL	491	127	19,580	306	126	18,218	332	10	5,091	340	126	18,946

Estimates by Program	1995 Activations											
	Carswell AFB, TX			Coleman, FL Complex (Minimum)			Coleman, FL Complex (Low)			Coleman, FL Complex (Medium)		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Inmate Care	88	41	$6,336	20	1	$70	44	2	$192	44	2	$167
Inmate Programs:												
Unit Management	21	10	612	17	1	50	36	2	95	36	2	94
Inmate Programs	17	9	626	13	0	42	28	1	79	28	1	77
Subtotal	38	19	1,238	30	1	92	64	3	174	64	3	171
Institution Security and Maintenance:												
Institution Security	94	44	1,608	42	2	102	207	10	423	224	10	451
Institution Maintenance	13	6	1,200	9	0	30	27	1	76	27	1	74
	107	50	3,008	51	2	132	234	11	499	251	11	525
Contract Confinement	0	0	0	0	0	0	0	0	0	0	0	0
Institution Administration:												
Institution Administration	33	15	4,328	29	2	120	53	2	133	53	2	130
Staff Training	2	1	511	1	0	3	3	0	7	3	0	7
Management and Administration	0	0	0	0	0	0	0	0	0	0	0	0
	35	16	4,839	30	2	123	56	2	140	56	2	137
TOTAL	268	126	15,421	131	6	417	398	18	1,005	415	18	1,000

Justification of Multi-Activity Program Changes Cont'd

Estimates by Program	1995 Activations												Total Activations		
	Ft. Devens, MA			Sheridan, OR Detention Unit			Seagoville, TX Detention Unit			Safford, AZ					
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Inmate Care	91	24	$7,601	10	4	$1,067	10	2	$255	6	0	$199	494	124	$30,227
Inmate Programs:															
Unit Management	29	8	953	7	2	150	7	1	53	6	1	57	329	73	6,825
Inmate Programs	17	5	567	0	0	11	0	0	6	2	0	23	223	45	4,405
Subtotal	46	13	1,520	7	2	161	7	1	59	8	1	80	552	118	11,230
Institution Security and Maintenance:															
Institution Security	120	31	2,004	31	11	1,001	31	1	59	22	3	185	1,415	285	14,505
Institution Maintenance	13	3	1,133	1	0	91	1	0	29	1	0	61	220	45	12,748
	133	34	3,137	32	11	1,092	32	1	88	23	3	246	1,635	330	27,253
Contract Confinement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Institution Administration:															
Institution Administration	33	8	3,615	5	2	586	5	1	506	4	1	411	431	89	28,238
Staff Training	2	1	616	0	0	94	0	0	92	0	0	73	23	5	4,228
Management and Administration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	35	9	4,231	5	2	680	5	1	598	4	1	484	454	94	32,466
TOTAL	305	80	16,489	54	19	3,000	54	5	1,000	41	5	1,009	3,135	658	101,176

Justification of Multi-Activity Program Changes Cont'd

Estimates by Program	Population Increase	Contract Confinement			Realign Resources *			Admin. ** Reductions	OMB FTE Reductions			FY 1994 Locality Pay Absorption ***	Total Program Increases		
	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Amount	Pos.	WY	Amount	Amount	Pos.	WY	Amount
Inmate Care	$15,226	0	0	0	(5)	(5)	($761)	($653)	0	0	0	($1,469)	489	119	$42,570
Inmate Programs:															
Unit Management	4,649	0	0	0	(6)	(6)	(310)	(255)	0	0	0	(1,339)	323	67	9,570
Inmate Programs	1,883	0	0	0	(2)	(2)	(157)	(157)	0	0	0	(665)	221	43	5,309
Subtotal	6,532	0	0	0	(8)	(8)	(467)	(412)	0	0	0	(2,004)	544	110	14,879
Institution Security and Maintenance:															
Institution Security	1,375	0	0	0	(18)	(18)	(826)	(640)	0	0	0	(2,977)	1,397	267	11,437
Institution Maintenance	4,532	0	0	0	(3)	(3)	(764)	(265)	0	0	0	(814)	217	42	15,437
	5,907	0	0	0	(21)	(21)	(1,590)	(905)	0	0	0	(3,791)	1,614	309	26,874
Contract Confinement	0	6	5	$15,591	0	0	0	(18)	0	0	0	(94)	6	5	15,479
Institution Administration:															
Institution Administration	701	0	0	0	(5)	(5)	(647)	(360)	0	0	0	(1,105)	426	84	26,827
Staff Training	0	0	0	0	(1)	(1)	(133)	(58)	0	0	0	(169)	22	4	3,868
Management and Administration	0	0	0	0	0	0	0	(166)	(17)	(17)	($935)	(730)	(17)	(17)	(1,831)
	701	0	0	0	(6)	(6)	(780)	(584)	(17)	(17)	(935)	(2,004)	431	71	28,864
TOTAL	28,366	6	5	15,591	(40)	(40)	(3,598)	(2,572)	(17)	(17)	(935)	(9,362)	3,064	614	128,666

* Resources are realigned due to the closure of FPC Tyndall.

** The Bureau is required to reduce its funding by 17 positions, 17 workyears and $11.2 million, consistent with administration goals.

*** The Bureau is Absorbing $9,362,000 in FY 1995 for FY 1994 Locality pay annualization. $28,067,000 was absorbed in FY 1994. The full year impact of the locality pay is the absorbtion of $37,449,000. BOP is absorbing Locality Pay by holding positions vacant thereby lapsing workyears, and reducing operational funding.

Federal P System
Salaries and expenses
Financial Analysis – Program Changes
(Dollars in thousands)

	Item	Inmate Care		Inmate Programs		Institution Security and Maintenance		Contract Confinement		Institution Administration		Total Program Changes	
	Grades	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
	GM–15	28	$1,895	---	---	---	---	---	---	8	$541	36	$2,436
	GM–14	---	---	6	$345	---	---	---	---	17	978	23	1,323
	GS–13	16	779	24	1,168	6	$292	1	$49	24	1,168	71	3,456
	GS–12	14	573	78	3,194	22	901	---	---	28	1,146	142	5,814
	GS–11	255	8,711	298	10,180	52	1,776	1	34	69	2,357	675	23,058
	GS–09	10	282	102	2,880	35	988	2	56	80	2,259	229	6,465
	GS–08	9	230	---	---	554	14,161	---	---	---	---	563	14,391
	GS–07	---	---	---	---	646	14,910	2	46	111	2,562	759	17,518
	GS–06	49	1,018	---	---	92	1,911	---	---	48	997	189	3,926
	GS–05	---	---	36	671	---	---	---	---	---	---	36	671
	Ungraded	108	4,324	---	---	207	8,287	---	---	46	1,842	361	14,453
	Locality Pay	---	712	---	738	---	1,729	---	7	---	554	---	3,740
	Fed. Law Enforcement Pay	---	1,781	---	1,844	---	4,323	---	19	---	1,385	---	9,352
	Total Positions and annual Rate	489	20,305	544	21,020	1,614	49,278	6	211	431	15,789	3,084	106,603
	Lapse (–)	(370)	(18,102)	(434)	(18,937)	(1,305)	(44,393)	(1)	(33)	(360)	(14,921)	(2,470)	(96,386)
11.1	Workyears and Compensation	119	2,203	110	2,083	309	4,885	5	178	71	868	614	10,217
11.5	Other personnel compensation	5	288	1	84	5	277	---	4	1	59	12	712
11.8	Special Personal services payment	---	---	---	3,206 *	---	---	---	---	---	---	---	3,206
	Total Workyears and compensation	124	2,491	111	5,373	314	5,162	5	182	72	927	626	14,135
12.0	Personnel benefits		980		924		2,174		103		5,952 **		10,133
21.0	Travel and trans of persons		44		181		217		4		4,703		5,149
22.0	Transportation of things		43		5		---		22		4,336		4,406
23.1	Rental payments to GSA		---		---		---		---		---		---
23.2	Rental payments to others		---		---		---		---		---		---
23.3	Comm, utilities and misc		65		57		2,339		---		---		2,461
24.0	Printing and reproduction		---		---		---		---		---		---
25.0	Other services		6,270		1,077		991		15,109		8,782		32,229
26.0	Supplies and materials		11,963		1,134		4,461		17		1,365		18,940
31.0	Equipment		20,714		5,943		11,530		42		2,799		41,028
41.0	Grants, subsidies, and contracts		---		185		---		---		---		185
42.0	Insurance claims and indemnities		---		---		---		---		---		---
	Total Workyears and Oblig, 1994	124	42,570	111	14,879	314	26,874	5	15,479	72	28,864	626	128,666

* $3.2 million, is requested in object class 11.8 for Inmate Performance Pay. There has been no increase in funding for Inmate Performance Pay since 1990.

** Personnel Benefits includes PCS Costs and Glynco training cost.

Federal Prison System
Salaries and expenses
FY 1995 Priority Ranking

Base Program

Program	Ranking
Inmate Care	1
Institution Security and Maintenance	2
Contract Confinement	3
Inmate Programs	4
Institution Administration, Management and Training	5

Program Increases

Program	Ranking
Population Increase	1
Activations	2
Contract Confinement	3

Federal Prison System
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Availability	1994 Enacted	1995 Base	1995 Program Increase	1995 Total
Attorneys (905)	82	82	82	0	82
Paralegal Specialist (950)	116	72	72	15	87
Other Legal and Kindred (900–998)	479	469	469	86	555
Correctional institution Administration (006)	1,347	1,354	1,354	81	1,435
Corrections officers (007)	11,037	11,436	11,436	1,418	12,854
Other Misc. Occupations (001–099)	473	490	490	51	541
Soc. Science, Econ. and Kindred (100–199)	1,744	1,854	1,858	289	2,147
Personnel Management (200–299)	851	882	882	71	953
General Admin clerical and office services (300–399)	1,690	1,792	1,794	113	1,907
Biological science (400–499)	3	3	3	0	3
Accounting and Budget (500–599)	817	818	818	84	902
Medical, Dental & Public Health (600–799)	2,052	1,813	1,813	329	2,142
Engineering and Architecture Group (800–899)	165	165	165	0	165
Information and Arts Group (1000–1099)	13	13	13	0	13
Business and Industry Group (1100–1199)	306	323	323	28	351
Mathematics and Statistics Group (1500–1599)	1	1	1	0	1
Equipment, Facilities and Service Group (1600–1699)	350	392	392	62	454
Education Group (1410–1411; 1700–1799)	755	860	860	109	969
Supply Group (2000–2099)	83	91	91	10	101
Ungraded (culinary, farm, mechanical & construction)	2,626	2,950	2,950	338	3,288
Total	24,990	25,860	25,866	3,084	28,950
Washington	866	810	816	0	816
U.S. Field	24,124	25,050	25,050	3,084	28,134
Total	24,990	25,860	25,866	3,084	28,950

Federal Prison System
Salaries and Expenses
Schedule of Motor Vehicles

Method of Acquisition and Type of Vehicle	1992 End-of-Year Inventory	1993 Acquired	1993 Disposed	1993 End-of-Year	1994 Acquired	1994 Disposed	1994 End-of-Year	1995 Acquired	1995 Average Cost Per Unit	1995 Disposed	1995 End-of-Year
Direct Purchase:											
Large Sedan	99	3	3	99	68	23	144	53	$16,600	28	169
Midsize Sedan	56	17	0	73	31	14	90	27	15,400	14	103
Compact Sedan	49	11	3	57	14	11	60	25	11,900	13	72
Subcompact Sedan	0	0	0	0	0	0	0	0	0	0	0
Station Wagon	83	2	3	82	16	13	85	12	15,800	8	89
Van 4x2	271	54	22	303	161	38	426	159	16,000	88	497
Van 4x4	0	0	0	0	0	0	0	0	0	0	0
Truck 4x2 Utility	315	28	11	332	98	90	340	75	36,000	41	374
Truck 4x4 Utility	0	0	0	0	0	0	0	0	0	0	0
Bus, Inter-urban	41	11	7	45	12	3	54	8	280,000	5	57
Bus, School Type	40	12	3	49	14	2	61	10	80,000	3	68
Special purpose:					0	0					
Carryall 4x4	67	15	7	75	36	14	97	28	18,000	17	108
Other	5	0	0	5	3	2	6	3	25,000	2	7
Trucks:											
Pick-up 4x2	563	66	32	597	210	130	677	225	12,000	80	822
Pick-up 4x4	157	14	32	139	62	31	170	55	16,000	40	185
Sub-total Purchased:	1,746	233	123	1,856	725	371	2,210	680	14,225,700	339	2,551
Leased:											
Large Sedan	1	1	1	1	5	4	2	5	0	4	3
Other	39	6	20	25	7	6	26	7	0	6	27
Sub-total Leased:	40	7	21	26	12	10	28	12	0	10	30
Seizes or No-Cost Excess:											
Large Sedan	1	0	0	1	4	2	3	3	0	2	4
Midsize Sedan	0	0	0	0	1	0	1	1	0	0	2
Other	26	56	39	43	28	22	49	40	0	32	57
Sub-total Seized:	27	56	39	44	33	24	53	44	0	34	63
TOTAL VEHICLES:	1,813	296	183	1,926	770	405	2,291	736	14,225,700	383	2,644

Federal Prison System
Salaries and Expenses
Summary of Changes (1994 – 1995)

Item	Pos.	WY*	$(000)
1994 Appropriation Anticipated	25,860	23,399	$1,950,000
Transfers:			
CHEP Resources	6	6	9,219
Mail Management	0	0	105
Total, Transfers	6	6	9,324
1995 Adjustments to base:			
Mandatory Increases:			
Pay (1.6%)	0	0	14,784
FY 1994 Locality Pay	0	0	9,362
Within–grade Increase	0	0	13,537
Accident Compensation	0	0	1,431
Unemployment Compensation	0	0	86
GSA Rent	0	0	2,966
FTS 2000	0	0	2,044
Medical Uncontrollable and Contract Medical (4.9%)	0	0	10,339
Data and Payroll Services	0	0	240
Acquisition Training	0	0	457
Lease Expiration Cost	0	0	21
GPLA (2.6%)	0	0	19,143
Total, Mandatory Increases	0	0	74,410
Annualization of 1994 Program Increases	0	2,176	259,893
Decreases:			
One Less Compensable Day	0	0	(5,112)
Savings from previously reduced workyears	0	0	(10,229)
Total, Decreases	0	0	(15,341)
1995 Base	25,866	25,581	2,278,286
1995 Program Increases:			
Population Increase, 8,445 (84,222 to 92,667)	0	0	28,366

Federal Prison System
Salaries and expenses
Summary of Change (1994 – 1995)

Item	Pos.	WY*	$(000)
Activation of New Facilities:			
Beckley, WV (1,536 beds) 4/95	491	127	19,580
Oklahoma Detention Center (1,043 beds) 4/95	306	126	18,218
Butner, NC (992 beds) 4/95	332	10	5,091
Waseca, MN (1,150 beds) 4/95	340	126	18,946
Carswell AFB, TX (450 beds) 4/95	268	126	15,421
Coleman, FL (Minimum 512 beds**) 7/95	131	6	417
Coleman, FL (Low 1,536 beds**) 9/95	398	18	1,005
Coleman, FL (Medium 1,152 beds**) 9/95	415	18	1,000
Fort Devens, MA (806 beds) 7/95	305	80	16,489
Subtotal, New Activations (9,177 beds)	2,986	637	96,167
Activation of Expansions:			
Sheridan, OR Detention (188 beds) 1/95	54	19	3,000
Seagoville, TX Detention (188 beds) 6/95	54	5	1,000
Safford, AZ (120 beds) 8/95	41	5	1,009
Subtotal, Expansions (496 beds)	149	29	5,009
Total Activations (9,673 beds)	3,135	666	101,176
Realign Resources (Tyndall)	(40)	(40)	(3,598)
Contract Confinement:			
Community Corrections Managers	6	5	414
State and Locals	0	0	207
Community Corrections Centers	0	0	12,379
CHEP Resources	0	0	2,591
Total, Contract Confinement	6	5	15,591
Other Initiatives:			
Administrative Reductions	0	0	(2,572)
Government-wide FTE Reductions	(17)	(17)	(935)
Program Decrease for FY 1994 Locality Pay	0	0	(9,362)
Total, Other Initiatives	(17)	(17)	(12,869)
Total, Program Increases	3,084	614	128,666
1995 Request	28,950	26,195	2,406,952

* Excludes 127 Reimbursable workyears

** Minimal funding has been requested to initiate necessary activation steps. However, the majority of beds will not be available until the following fiscal year.

Federal Prison System
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

1995 Adjustment to Base: Mandatory Increases:	WY	Amount
1. 1995 Pay Raise. This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $18,664,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($10,824,000 pay and $3,960,000 benefits).	...	$14,784
2. FY 1994 Locality Pay. The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For FY 1994, $28,087,000 in locality pay costs for three-quarters of the year will be absorbed as discussed in the Crosswalk and the justification of Multi-Activity Changes exhibit. For FY 1995, full year costs totalling $37,449,000 must be absorbed and the impact of absorbing the 1995 increment of $9,362,000 is reflected as program decreases as shown on the justification of Multi-Activity Program Changes exhibit.	...	9,362
3. Within-grade Increases. This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include 3-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $9,882,000 for pay and $3,655,000 for benefits.	...	13,537
4. Annualization of 2,828 Additional Positions Approved in 1994. This provides for the annualization of 2,828 additional positions requested in the 1994 budget for activations of new prisons.	2,176	259,893

	Approved 1994 Increases	Annualization Required
Annual salary rate of 2,828 approved positions	$105,592	...
Less Lapse:	83,684	$83,684
Net Compensation	21,908	...
Associated employee benefits	9,858	38,036
Travel and transportation of persons	1,026	4,220
Transportation of things	2,091	2,604
Communications, utilities and misc	1,525	10,552
Other Services	2,862	19,854
Supplies and materials	3,433	42,460
Equipment	3,062	58,483
Total costs subject to annualization	45,765	259,893

	WY	Amount
5. **Accident Compensation** This increase reflects the billing provided by the Department of Labor for the actual costs in 1993 of employees' accident compensation. The 1995 amount will be $1,431,000.	...	$1,431
6. **Unemployment Compensation** This increase is based upon the most recent complete annual billing provided by the Department of Labor (DOL) for employees' unemployment compensation. An increase of $86,000 is required to meet our commitment to DOL.	...	86
7. **General Services Administration (GSA) Rent** GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of $2,966,000 is required to meet our committment to GSA. The costs associated with GSA rent were derived through the use of the automated system which uses the latest inventory data and GSA-provided rates.	...	2,966
8. **FTS 2000** During the development of the 1994 budget, the office of Management and Budget decreased the funding for FTS 2000 based on the General Service Administration (GSA) projected rate decreases that were to amount to anywhere between 10 and 35 percent. GSA current projections, based on our fiscal year 1993 actual charges show that these rate decreases did not occur. Therefore, an increase of $2,044,000 is required to meet the Department's commitment to GSA.	...	2,044
9. **Medical Costs** The Department of Health and Human Services is projecting an increase in health care costs. The Department is applying a factor of 4.9 percent against medical services. An increase of $10,339,000 will be required for 1995.	...	10,339
10. **Employee data And payroll services** Centralized employee data and payroll services are provided to all Department organizations except the Federal Bureau of Investigation. A ten-percent increase is needed to stay current with inflation, the increased use of the National Finance Center (NFC), and the continuing level of systems support by the Finance Staff. This request supports the completion of component conversion to the Personnel/Payroll System operated by NFC, as well as the continuing receipt of system services from NFC. An increase of $240,000 will be required in 1995.	...	240
11. **Acquisition Training** This increase represents the funds that will be needed to bring the current Level I-IV contracting officers into compliance with the Department's plan to implement OFPP Policy Letter 92-3 which mandates specific training requirements for acquisition personnel that allows them to perform their job. An increase of $457,000 will be required in 1995.	...	457
12. **Lease Expiration Costs** The Department has a large number of leases known to be expiring in 1995. In many cases the existing leases may be renewed but it is impossible to determine now how many and which ones will fall into this category. This increase includes costs for renovations necessary to occupy new space (costs for communications, wiring for automated systems, additional electrical outlets, etc.) and excludes any increase in rent costs. GSA estimates that, historically, 50 percent of all expiring leases are renewed. Therefore, the requested increase of $21,000 includes 50 percent of the estimated relocation costs for known lease expirations.	...	21

	WY	Amount
13. General Pricing Level Adjustments..... This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	$19,143
Total Mandatory Increases.....	2,176	334,303
Decreases :		
1. One Less Compensable Day..... The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $3,732,000 for pay and $1,380,000 for benefits.	...	-5,112
2. Savings from Previously Reduced Workyears..... This reduction of $10,229,000 is for the dollars associated with, a FY 1993 reduction of 260 workyears to further the Administration's goal of trimming 252,000 FTE from the Federal Government.	...	-10,229
Total Decreases.....	...	-15,341
Total Adjustment to Base.....	2,176	$318,962

Federal Prison System
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actuals		1994 Estimate		1995 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ES-6 $115,700	1		1		1		0	
ES-5 $111,800	5		5		5		0	
ES-4 $107,300	5		5		5		0	
ES-3 $101,800	9		9		9		0	
ES-2 $97,400	11		11		11		0	
ES-1 $92,900	10		10		10		0	
GS/GM-15 $66,609-86,589	320		336		372		36	
GS/GM-14 $56,627-73,619	406		398		423		25	
GS/GM-13 $47,920-62,293	867		838		911		73	
GS-12 $40,298-52,385	1,858		1,860		2,003		143	
GS-11 $33,623-43,712	3,884		4,078		4,753		675	
GS-10 $30,603-39,783	247		241		241		0	
GS-09 $27,789-36,123	2,772		2,837		3,066		229	
GS-08 $25,159-32,710	3,681		3,725		4,289		564	
GS-07 $22,717-29,530	6,560		6,595		7,354		759	
GS-06 $20,443-26,572	1,344		1,730		1,919		189	
GS-05 $18,340-23,839	187		185		221		36	
GS-04 $16,393-21,307	37		35		35		0	
GS-03 $14,603-18,986	1		1		1		0	
Ungraded positions	2,785		2,960		3,321		361	
Locality pay	...	...	...	$26,942	...	$26,942	...	...
1995 pay increase	...	...	...	...	...	$14,422	...	$14,422
Total appropriated positions	24,990	$882,204	25,860	$914,014	28,950	$1,073,818	3,090	$159,804
Pay above stated annual rates		3,369		3,503		...		(3,503)
Lapses	(4,000)	(124,160)	(3,048)	(94,610)	(2,977)	(92,406)	71	2,204
Savings due to lower pay scales part of year		(8,564)		(6,086)		(3,605)		2,481
Net full-time permanent	20,990	752,849	22,812	816,821	25,973	977,807	3,161	160,986
Other than permanent	221	6,472	222	9,922	222	11,906	...	1,984
Other personnel compensation	889	68,985	940	68,488	1,034	75,337	94	6,849
Special personnel services payments	...	14,504	...	29,793	...	30,984	...	1,191
Total, workyears and personnel compensation	22,100	842,810	23,974	925,024	27,229	1,096,034	3,255	171,010
Average ES Salary		(101,800)		(101,800)		(103,429)		
Average GS/GM Salary		(31,871)		(31,871)		(32,381)		
Average GS/GM Grade		(8.9)		(8.9)		(8.9)		
Average Ungraded Salary		(37,820)		(37,820)		(38,425)		

Summary of Requirements by Grade and Object Class (Cont'd)

Object Class	1993 Actuals		1994 Estimate		1995 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
11 Personnel compensation:								
11.1 Full-time permanent	20,710	$736,543	22,532	$799,863	25,693	$960,171	3,161	$160,308
11.3 Other than full-time permanent:								
Temporary Employment	132	3,754	130	5,755	130	6,905	0	1,150
Other part-time and intermittent employment	89	2,718	92	4,167	92	5,001	0	834
11.5 Other personnel compensation:								
Overtime	658	51,049	697	50,681	765	55,749	68	5,068
Other compensation	231	17,936	243	17,807	269	19,588	26	1,781
11.8 Special personnel compensation	0	14,504	0	29,793	0	30,984	0	1,191
Total	21,820	826,504	23,694	908,066	26,949	1,078,398	3,255	170,332
12 Personnel benefits		294,694		338,067		405,740		67,673
13 Benefits for former personnel		998		946		1,135		189
21 Travel and transportation of persons		24,210		30,486		36,691		6,205
22 Transportation of things		6,027		10,144		12,174		2,030
23.1 GSA rent		11,118		12,133		14,619		2,486
23.2 Rental payments to others		1,566		1,997		2,397		400
23.3 Communications, utilities and misc. charges		43,418		53,533		64,265		10,732
24 Printing and reproduction		3,903		4,627		5,555		928
25.1 Consulting services		34,413		38,000		45,600		7,600
25.2 Other services		239,646		284,951		322,188		37,237
26 Supplies and materials		195,477		233,137		293,678		60,541
31 Equipment		42,263		42,084		97,214		55,130
32 Lands and structures		441		125		150		25
41 Grants, subsidies, and contributions		1,336		1,569		5,749		4,180
42 Insurance claims and indemnities		547		1,102		1,322		220
43 Interest and dividends		136		95		114		19
Total direct obligations		1,726,697		1,961,062		2,386,989		425,927

Summary of Requirements by Grade and Object Class (Cont'd)

Object Class	1993 Actuals		1994 Estimate		1995 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ALLOCATION TO DEPARTMENT OF HEALTH AND HUMAN SERVICES								
11.1 Personnel compensation:								
Military	280	$16,306	280	$16,958	280	$17,636	0	$678
Total workyears and personnel compen.	280	16,306	280	16,958	280	17,636	0	678
Other Objects:								
12.1 Personnel benefits: Military		6,400		6,656		6,922		266
13 Benefits for former personnel		6		6		7		1
21 Travel and transportation of persons		104		108		112		4
22 Transportation of things		631		656		682		26
24 Printing and reproduction		2		2		2		0
25 Other services		338		352		366		14
Total direct obligations, HHS Allocation	280	23,787	280	24,738	280	25,727	0	989
Total obligations Salaries and Expenses	22,100	1,750,484	23,974	1,985,800	27,229	2,412,716	3,255	426,916
Unobligated balance, start-of-year		(68,502)		(52,876)		(17,076)		
Unobligated balance, end-of-year		52,876		17,076		11,312		
Total Requirements		1,734,858		1,950,000		2,406,952		
Relation of obligations to outlays:								
Total obligations		1,750,484		1,985,800		2,412,716		
Obligated balance, start-of-year		197,348		221,895		329,760		
Obligated balance, end-of-year		(221,895)		(329,760)		(475,633)		
Adjustments in expired accounts		(23,722)		0		0		
Outlays		1,702,215		1,877,935		2,266,843		

Department of Justice
Federal Prison System
National Institute of Corrections

Estimates for 1995
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Federal Prison System
National Institute of Corrections

Summary Statement
Fiscal Year 1995

The National Institute of Corrections (NIC) is requesting, for 1995, a total of 51 positions, 51 workyears and $10,144,000. This request represents a decrease of one position, one workyear and $67,000 below the 1994 Appropriation enacted. As the NIC implements its personnel reduction as reflected in this budget, we are beginning to implement the recommendations of the National Performance Review to reduce by half, the percentage of employees that are supervisors or managers, by the year 1998.

The mission of the NIC is to work with Federal, State and local governments to assist them in developing and training corrections staff, to conduct and support research regarding ways to improve correctional programs and to serve as a clearinghouse for information on improvements in corrections.

Congress, in passing the National Institute of Corrections' legislation in 1974 (P.L. 93-415), recognized a critical need to coordinate Federal efforts in assisting corrections at the state and local levels. In its report supporting this legislation, the Senate Judiciary Committee noted that the Institute would be:

> "... a center in the nation to which the multitude of correctional agencies and programs of the states and localities can look for the many different kinds of assistance that they require. The Institute would serve as a center for correctional knowledge ..(and) develop national policies for the guidance and coordination of correctional agencies."

The legislative history of the Institute noted that the state of corrections was a national problem, and there was the need for an agency to provide coordination and leadership to deal with the crisis in corrections. Both the Institute's legislative history and legislation mandate that the Institute provide training, technical assistance, information and clearinghouse services, conduct research and evaluations and formulate policy and standards. The founding legislation sets forth major goals and objectives:

* to serve as a clearinghouse and information center for the collection, preparation and dissemination of information on programs for the prevention of crime and recidivism, training of correctional personnel, and rehabilitation and treatment of criminals and juvenile offenders

* to assist and serve in a consulting capacity to Federal, state, and local courts, departments and agencies in the development, maintenance and coordination of programs, facilities, and services, training, treatment and rehabilitation with respect to criminal and juvenile offenders

* to encourage and assist Federal, state, and local government programs and services, and programs and services of other public and private agencies, institutions, and organizations in their efforts to develop and implement improved correctional programs

* to devise and conduct, in various geographical locations, seminars, workshops, and training programs for law enforcement officers, judges, and judicial personnel, probation and parole personnel, correctional personnel, welfare workers, and other persons connected with the treatment and rehabilitation of criminal and juvenile offenders

* to develop technical training teams to aid in the development of seminars, workshops and training programs within several states and with state and local agencies which work with prisoners, parolee, probationers and other offenders

* to conduct, encourage and coordinate research relating to corrections including causes, prevention, diagnosis, and treatment of criminal offenders

* to formulate and disseminate correctional policy, goals, standards, and recommendations for Federal, state, and local correctional agencies, institutions, and personnel

* to conduct evaluation programs which study the effectiveness of new approaches, techniques, systems, programs, and devices employed to improve the correctional system

In sum, the legislation created a National Institute of Corrections to strengthen and improve Federal, state and local correctional agencies and programs through the provision of practical services and programs. The legislative history and legislation called upon the Institute to collaborate with and seek the advice of the corrections community in assessing the needs and problems of the field. This collaboration was envisioned as a way of reducing fragmentation and encouraging greater coordination and cooperation between the components of the criminal justice system and corrections agencies at all levels of government.

Federal Prison System

National Institute of Corrections

Justification of Proposed Changes in Appropriation Language

The 1995 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

National Institute of Corrections

For carrying out the provisions of sections 4351-4353 of title 18, United States Code, which established a National Institute of Corrections, and for the provision of technical assistance and advice on corrections related issues to foreign governments, [$10,211,000]^ $10,144,000 to remain available until expended.

(18 U.S.C. 4351-4353; Department of Justice and Related Agencies Appropriations Act, 1994

Explanation of Changes

No substantive changes proposed.

Federal Prison System
National Institute of Corrections

Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Reprogrammings			1994 Appropriation Enacted		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
National Institute of Corrections	52	52	$10,211	...	...	...	52	52	$10,211

The 1994 Appropriation includes $120,000 as locality pay costs for three - quarters of the fiscal year. The total increased pay costs will be absorbed by reducing program delivery in the areas of training, technical assistance and program development.

Federal Prison System
National Institute of Corrections
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1994 Appropriation enacted	52	52	$10,211
Mandatory increases	...	...	320
Decreases	...	...	-9
1995 Base	52	52	10,522

Estimates by budget activity	1993 Appropriation Enacted			1993 Actual			1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos	WY	Amount	Perm. Pos	WY	Amount	Perm. Pos	WY	Amount	Perm. Pos	WY	Amount
National Institute of Corrections	52	52	$10,250	52	53	$12,042	52	52	$10,211	52	52	$10,522	51	51	$10,144	-1	-1	-$378

Long Range Goal: Provide leadership in moving corrections toward greater professionalism; develop national policies from the guidance and coordination of Federal agencies and initiatives affecting corrections; serve as a national center to which State and local correctional agencies can turn to receive many different types of assistance; and serve as a source of correctional information and knowledge about correctional programs, policies, planning standards, and practices.

Major Objectives:

To assist in the improvement of State and local jail operations nationwide so they may become more humane, fair, efficient, effective, and comply with legal requirements.

To strengthen correctional programs by effective and efficient utilization of staff and organizational resources.

To increase the effectiveness of correctional programs by expanding the use of alternatives to incarceration and promoting a safe, humane, and constitutional environment for those offenders who must be incarcerated.

To develop the capacity to respond quickly, accurately, and informatively to a wide variety of inquiries on correctional programs, policies, standards, and practices.

To provide training to the correctional community to upgrade skills of personnel.

Base Program Description: In an effort to increase coordination, reduce duplication, and upgrade State and local corrections, the National Institute of Corrections has initiated several activities, including developing memoranda of understanding between Federal agencies, placing representatives of several Federal agencies on the NIC Advisory Board, and conducting frequent meetings with representatives from the entire spectrum of correctional practices. An annual plan is approved by the Advisory Board, after which the NIC staff develops a program strategy utilizing training, technical assistance and clearinghouse, policy/program development and evaluation to accomplish the objectives in the plan.

Program Change:

1994 Appropriation Enacted			1995 Base			1995 Estimate			Increase/Decrease		
Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
52	52	$10,211	52	52	$10,552	51	51	$10,144	-1	-1	-$378

This reduction of one position, one workyear and $378,000 is required to meet with the Administration's savings goals. The change will result in the Institute reducing its mandated functions in the areas of program development, training and technical assistance activities. The NIC will continue its efforts to improve and strengthen jail, prison and community corrections operations; increase the effectiveness of correctional programs by expanding the use of alternatives to incarceration; respond to information requests; and upgrade the skills of corrections personnel. Also, this change reflects the impact on programs as a result of absorbing the increased pay costs associated with the locality pay increase.

Accomplishments and Workload:

TRAINING:

NIC's budget has declined at a time when the rate of state level adult system personnel has increased by 53% and jail personnel by 35%. These circumstanc have created a critical lack of training opportunities for correctional personnel.

NIC-Sponsored Training 1983 Through 1993		
Year	Number of Seminars	Number Trained
1983	133	2,544
1984	132	2,063
1985	165	2,770
1986	168	3,191
1987	125	2,699
1988	96	2,014
1989	71	1,527
1990	51	1,490
1991	45	1,315
1992	44	1,030
1993	55	1,333

Accomplishments and Workload:

Although, NIC's funding for training has declined by nearby 52 percent (1984-1994) the Academy through collaboration with other Federal agencies, and through the use of other delivery strategies(usually of a shorter duration than the one to two week traditional training programs) has been able to reach a broader audience. The table below displays all the training activities conducted by the NIC Academy in FY 1992 and projected for FY 1993 through 1995.

Numbers of Participants in All NIC Academy Training

Training Activity	Participants in FY 1992	Participants in FY 1993	Participants in FY 1994	Participants in FY 1995
Seminars (1 to 2 week long) held in Longmont	1,030	1,298	1,122	1,100
National Forum for correctional leaders	22	cancelled in 1993	0	0
Workshops prior to national conferences (4 to 16 hours long)	114	168	192	168
Regionalization planning meeting and regional workshops	204	608	700	750
Training through technical assistance	1,650	1,090	1,100	1,000
Audioconferences and videoconferences	3,187	1,100	*3,150	*5,000
DACUM workshops to develop job profiles	26	14	0	14
Federal Bureau of Prisons interagency agreement seminars	117	63	75	75
Office of Juvenile Justice and Delinquency Prevention interagency agreement seminars	216	431	350	350
Bureau of Justice Assistance interagency agreement seminars	70	24	0	0
U.S. Navy	none this year	24	120	120
TOTAL	6,636	4,780	6,809	8,577

* It is anticipated that as dollars shrink for training through week-long seminars and other on-site training, more 2 and 3-hour long teleconferences will be offered. Teleconferences cannot offer the same level (eg., synthesis) or intensity of training, but can provide up-to-date information (eg., knowledge level) to the field.

Of the various types of training, the seminars held in Longmont tend to be the most complex and lengthy. All seminars held in Longmont require extensive planning with consultants and staff, fully developed lesson plans, participant manuals, training aids such as animated computer-driven overheads, and close out reports. The close out reports include end-of seminar evaluations from each participant. On a scale of 1 to 5, with 5 being the best, the approximate average across all seminars for the question, "the training was relevant to my need" has been 4.7 points.

Unmet Need for Training in Selected Seminars
Fiscal Years 1990-1993

* APPS= Applicants
** PARTS= Participants

SEMINAR TITLE	FY 1990			FY 1991			FY 1992			FY 1993		
	APPS*	PARTS**	UNMET	APPS*	PARTS**	UNMET	APPS*	PARTS**	UNMET	APPS*	PARTS**	UNMET
Cognitive Approaches to Changing Offender Behavior	25	12	52%	136	12	91%	196	17	91%	162	41	75%
Sex Offender Treatment Skills for Professionals	140	53	62%	179	52	71%	79	28	65%	168	50	70%
Management/Career Strategies for Mid-Level Managers	83	26	67%	223	47	79%	229	49	79%	194	50	74%
A Systems Approach to Managing Substance-Abusing Offenders	117	45	62%	111	22	80%	193	21	89%	110	47	57%
Working with Women Offenders	124	49	60%	142	49	65%	146	25	83%	112	24	79%
Prison Security	200	50	75%	173	50	71%	146	23	84%	88	49	44%
Jail Security	N/A	N/A	N/A	75	25	67%	134	25	81%	82	47	43%

following is a sampling of comments on the systemic impact of NIC-sponsored training on systems:

- "A team of three of us attended A Systems Approach for Managing Substance-Abusing Offenders last December 6-11, 1992. As a result, we embarked on a project to link Federal Probation, the Federal Bureau of Prisons, and a private contractor to provide treatment to offenders with identified substance abuse histories. As illogical as it sounds, our agencies had never previously tried to provide a continuity of services. The training got us together and was truly first rate!"

- "The Bureau of Prisons takes pride in training its staff and with 22 years of experience I've had my share. However, I've never been a part of anything more beneficial than the Public and Media Relations training I just completed in Longmont."

- A letter signed by the entire class: "We recently attended Managing Change Part II, a continuation seminar from one held earlier this year. We team members represent 7 jurisdictions (Georgia, Hawaii, Illinois, Minnesota, New York, North Carolina, Pennsylvania) from across the country. We believe that the training we received in both seminars was invaluable to the change process within our respective jurisdictions. We all came away feeling enriched and confident about our abilities to shape our agency's future."

A follow-up audioconference was held in April, 1993, with the participants of the seminar, Systems Approach to Managing Chronically Ill Inmates (November 1-6, 1992). The seminar participants included 6 four-person teams of state medical services directors, clinical directors, and others responsible for managing programs for chronically ill inmates. During the seminar, the teams had developed action plans to either implement or improve the medical services for chronically ill inmates in their states. The purpose of the audioconference was to provide updates on the action plans' implementation. Five of the 6 teams were present for the audioconference follow-up, including the states of Alabama, Georgia, Hawaii, Indiana, and Nebraska. The Kansas team was unable to participate at that time but provided their update to the seminar coordinator.

The updates were as follows:

"Alabama: Well under way to implement their action plan to provide student nursing experience in the correctional geriatric hospital and extend[illegible] ity services for the inmates.

Georgia: Moving steadily towards goal of developing continuity of ca[illegible] the chronically ill in the state. With technical assistance from [illegible]

Prison Division, are establishing chronic case protocols for new policies and procedures.
Nebraska: Although their goal has been diverted somewhat due to the recent focus on tuberculosis treatment, they are continuing work on the plan to develop a systematic medical classification system that can be integrated into the current over-all classification system.
Indiana: Due to the hiring of a new medical director and other major statewide changes, the plan to provide managed care of adult offenders with special medical needs statewide is temporarily on hold.
Hawaii: Due to the lack of staff, the plan to develop an MIS tracking system is temporarily on hold.
Kansas: Have implemented their action plan; are negotiating with the University Medical Center to enhance staffing and are developing an MIS tracking system.

Future needs related to this area are: continued information on ADA and OSHA guidelines, legal issues related to both of these in relation to chronically ill inmates.

Additional comments from the participants were: both the seminar and the audioconference follow-up were much appreciated because they were organized well, gave them a plan to implement, and provided them with new ways of thinking.

Accomplishments and Workload:

Short-term Technical Assistance

	FY 1992	FY 1993	FY 1994	FY 1995
Assistance Requested	626	700	700	790
Assistance Provided	438	644	500	600

Over the last 18 months alone, the National Institute of Corrections has completed the delivery of 784 technical assistance events involving all 50 states, U.S. territories, and 519 jurisdictions. Also resulting from these technical assistance deliveries is the training of over 8,500 individuals for this same period. In FY 1993, the average cost per technical assistance was $2,800.

Following are some examples of impact the provision of short-term assistance has had on systems:

- A state corrections commissioner testified at the NIC Advisory Board Hearings on April 23, 1993, that training his staff received through technical assistance in emergency preparedness and hostage negotiations was instrumental in saving the life of an employee hostage in a recent disturbance.

- Prison disturbances in Montana, Ohio, Pennsylvania, and South Dakota have all resulted in requests to the Institute to provide assistance during or following the incidents. The materials developed in Pennsylvania and Montana were extremely useful to those states in implementing constructive changes to their emergency response capabilities.

- To date, 44 of the 50 state corrections systems have implemented objective classification systems largely due to the assistance and grants offered by the Institute.

- Departments of Corrections in Florida, Tennessee, Indiana, North Carolina, and Massachusetts, all received technical assistance which enables them to develop and implement effective systems with which to identify, track, and manage members of security threat groups.

- Critical Prison Disturbances

  - The Institute is often asked to respond to potentially explosive situations or actual crises where either the threat of human life or the highly sensitive nature of the event demands immediate, thoughtful, and staff intensive response. The following are several examples where NIC provided assistance:

    OHIO -- A prison riot erupted at the Ohio southen Correctional Facility in Lucasville on April 11, 1993. Eight staff members were taken hostage and five inmates were killed. Within 2 days a staff member was also killed. NIC was able to make contact with the corrections commissioner who requested immediate assistance. By the following afternoon, a consultant was on site and remained there for 11 days, providing assistance in the development of all policies and procedures for the Surrender Plan focusing on assuring that there would be no retribution to the inmates, and serving continuously as a "sounding-board" to the Director and Warden in the management of the riot.

    GEORGIA -- The Georgia Department of Corrections has experienced a crisis which has received national attention involving 150 employees who have been indicted for sexual abuse of women offenders at the Georgia's Facility for Women. Extensive technical assistance is currently being provided by the Institute to remedy these critical problems including consultant assistance on site and tours of "model" womens' correctional facilities.

    MONTANA -- On September 22, 1992, the Montana State Prison erupted in a riot which resulted in the brutal murders of 5 protective custody inmates, the injury of others, millions of dollars of damage to the physical plant of the Maximum Security Unit, and litigation. The Institute received a call on October 2, 1992, and by October 10, a four person team was sent to conduct an administrative inquiry into the circumstances surroun' 'he riot. A 104 page report was issued shortly after the visit with specific recommendations. As a result of the report, 'a Department of Corrections has rewritten their policies and proc

revised their tool and key control systems, reviewed their medical programming and conducted a staff analysis to better use correctional offices.

NIC requests that each technical assistance recipient complete an evaluation form providing a basic assessment of the work completed, whether the requestor was satisfied with the consultant and the overall results of the assistance and what future activities the requestor anticipates will result from the assistance provided. Our rating system is broken down into four categories: Very good; good; fair; and poor.

For FY-92 and FY-93, the results of the evaluations were as follows:

Evaluation of Services
(Short-Term Technical Assistance)

Rating	FY 1992	FY 1993
Very Good	94%	98%
Good	4%	1%
Fair	0	0
Poor	2%	1%

Accomplishments and Workload:

Long-term Technical Assistance (TA)

The Institute provides monetary assistance to the requesting state or local agency to allow the agency to develop or improve systems and operations using experienced consultants and or internal staff. Some topics for which grants have been awarded are: Offender Classification, female programs, organizational development, emerging preparedness, MIS development, etc. The tasks to be undertaken are more complex and require more effort than can be provided through short-term technical assistance. This form of technical assistance involves providing funding to an agency, upon approval of a formal grant application. Most of these projects are conducted over a period of 3 to 12 months.

	1992	1993	1994	1995
Applications	100	100	100	100
Grant Awards	32	35	40	40

The long term TA grants for 1993 were awarded to a total of 15 states and 6 jurisdictions (local governmental units).

Clearinghouse and Information Services

The Institute's legislation mandates that it disseminate information to state and local correctional agencies and at the same time be responsive to the needs of these organizations for information on specific issues and topics that will assist agencies in solving operational problems, learn about advanced policies, programs and practices, and have available the latest findings of research and evaluation studies.

The NIC Information Center provides a concentration of practitioner-based corrections resources, supports Institute initiatives while increasing field access to current, practical information. Its clientele includes corrections practitioners at all levels - local, state, federal policy makers, management, and staff - in all fifty states, the District of Columbia, and U.S. territories.

The Information Center offers a multitude of services to the field. Beyond typical clearinghouse services, the Center uses resources as the basis for needs analysis, research, publishing, and networking activity. Services, as well as collection development, are designed to provide information that can be applied to the immediate needs to the field. Staff with field experience talk personally with requestors to determine their resource needs. At no charge, requestors receive prompt attention and thorough, individually tailored responses. NIC uses the Information Center to conduct trend analysis and original research when nationwide information is needed quickly. Through constant contact with practitioners across the country, the staff maintains a fifty-state network that can be immediately activated by NIC. Through NIC, the network is also tapped by DOJ, BOP, and committees of the U.S. Congress. Participants in NIC training programs have on-site access to the full collection as well as personalized research assistance.

Materials developed within the field of corrections, including those published or funded by NIC, are supplemented by materials selected for their practical value to form the resource base from which the information needs of correctional practitioners and policymakers are met.

Resources services users include practitioners, researchers, policymakers from all fifty states, the District of Columbia and U.S. territories, while the majority of requests come from correctional agencies and officials at all levels of government. The Information Center also serves foundations and "think tanks," professional associations, the media, academics and students, and the public at large. The work of NIC, as well as, U.S. corrections systems also attracted requests for information from twenty countries internationally in FY 1992. Resource services support major NIC initiatives, including Academy seminar development and division program planning. Academy training participants also receive targeted research assistance, and each year more than 4,800 copies of NIC publications are disseminated to the field.

Following is a chart which reflects the clients evaluation of services provided by the Information Center

Client Evaluation of Assistance, FY 1993

Total client responses received	411
Percent rating staff as responsive	99.5%
Percent rating speed of delivery as adequate	100%
Percent ratings, usefulness of materials received "Information very useful" "Information adequate" "Information not useful"	 83.6% 13.6% 0.9%
Percent ratings, overall services "Overall excellent" "Overall satisfactory" "Overall unsatisfactory"	 87.5% 9.7% 0.2%

Accomplishments and Workloads:

Agency Affiliation of Information Center Requestors

	FY 1992	FY 1993	FY 1994*	FY 1995*
State prison/DOC requestors	2,283	2,200	2,400	2,480
County Sheriff/jail requestor	1,641	1,739	1,785	1,840
State and local probation/community corrections requestor	803	913	890	925
Federal agency administrators and staff	523	259	560	575
Other policy makers (governors' legislators, commissions and staff)	443	508	485	500
All other requestors**	2,995	3,148	3,180	3,280
Total requestors assisted	**8,688**	**8,767**	**9,300**	**9,600**

** Includes academia, students, foreign, private vendors and individuals.

Materials are shipped to requestors in an average of 1.8 days, and always within five days. Twenty-four hour service is available when by eligible practitioners and policymakers.

NIC Publications

During FY 1993, five topical reports were published and disseminated to state and local corrections practitioners and four administrative documents were issued to keep the field informed of NIC services. The topical reports included:

- Prison Health Care: Guidelines for the Management of an Adequate Delivery System. This report was sent to 1,746 wardens and medical directors of state and federal prisons, commissioners and deputy commissioners of state departments of corrections, administrators of large jails, member of the small jail network, and state legislators.

- Management Strategies in Prison Disturbances and with Gangs/Disruptive Groups. This report was sent to 1,100 state and federal prison wardens and commissioners and deputy commissioners of state departments of corrections.

Accomplishments and Workload:

- Classification of Women Offenders in State Correctional Facilities: A handbook for Practitioners. This report was sent to 1,372 state and federal wardens, commissioners and deputy commissioners of state correctional systems and the large jail systems.

- Managing Probation with Scarce Resources: Obstacles and Opportunities. This report was sent to 550 state and local probation and parole agencies and to networks of urban probation chiefs and state probation oversight agencies -- agencies that have responsibility for established state standards for local probation and for providing technical assistance and training to these agencies.

- Setting the Jail Research Agenda for the 1990's. This document was sent to 178 large jails and members of the small jail network, as well as, to universities.

Program Development

The Institute's authorizing legislation mandates that it undertake policy formulation, and research and evaluation, activities . NIC has combined these functions under an area called program development where the emphasis is on using these functions, existing bodies of knowledge or emerging trends that are of concern and interest to practitioners to resolve issues and needs plaguing corrections for which policy and/or program directions do not exist. Included in this functional area are two other strategies used by the Institute:

* **Special Emphasis Services** -- This form of technical assistance or service is available in specific areas in which the Institute has completed developmental work and has established a coordinated, multifacted approach to assisting agencies in successful program implementation. This assistance is designed to guide implementation of progressive change before the issue becomes a problem.

* **Corrections Networks** -- The Institute has created several major networks of correctional practitioners. The concept of networking creates a chain of communication between individuals of organizations with similar needs and interests, and is an efficient way to exchange information, training, and increase professionalism. The criminal justice system and corrections are traditionally isolated and fragmented even among individuals and organizations with similar needs and interests. Several years ago the Institute experimented with such networks and found them to be an efficient and effective means of accomplishing several objectives, including: training, exchanging information among administrators/agencies on common issues and needs, orienting new members to their new job (e.g., new directors of state correctional systems), technology transfer, and increasing professionalism and breaking down the isolation and fragmentation.

Program Development Initiatives - Accomplishments/Workload

- During FY 1994 the Jail Division will develop preliminary materials on jail mental health issues. Additionally the division will begin to develop materials on the implementation of services for the mentally ill, including the identification, crisis intervention, and referral of mentally ill inmates -- activities that have been identified as the appropriate role of jails. Technical assistance will also be provided through the creation of two jail resource centers that have "model" mental health programs and links to community mental health programs. These centers will be provided by NIC and the Center for Mental Health Services of the Department of Health and Human Services. Twenty to twenty-five jail systems will be helped in fiscal year 1994 and 1995 through hosted visits to jail resource centers and follow up technical assistance to help individual jail systems tailor programs to their needs.

- NIC developed a multi-year initiative in 1992 to assist corrections departments in better communicating with their internal and external audiences. The first year of the program three departments of corrections (California, Rhode Island and Alabama) were assisted in the development of strategic communications plans. In FY 1993 a special initiative is established to assist these departments in developing effective strategies for communicating with the public, interest groups, the legislature, the governor's office as well as other actors in the criminal justice system. In 1994 a grant will be awarded to evaluate the effectiveness of the strategic plans in the three states, conduct audits in three additional states and document the process in a monograph.

- The Institute responded to concerns raised by leading correctional practitioners that less than 4 percent of chief executive positions are filled by women in funding the development of an Executive Training for Women curriculum during FY 1993. During FY 1994, the Institute plans to fund the initial presentation of this seminar to a select group of women managers in state correctional systems. The program is designed to cultivate executive skills and capabilities, enhance the abilities of the participants to achieve executive level positions, and provide methods for overcoming workplace barriers. Subject to the success of the curriculum development project a continuation of this grant may be funded in FY 1995.

- During fiscal years 1991 and 1992 the Institute worked closely with 3 community correctional agencies to examine their jurisdictions' sentencing practices related to women offenders and to encourage the development of a range of sanctions. During FY 1993 the Community Corrections Division will continue to expand the approach began in prior fiscal years. NIC will work with three additional jurisdictions, and will include not only the development and implementation phases, but a strong data collection and analysis component.

Special Emphasis Initiative - Accomplishments and Workload:

	1992	1993	1994	1995
Jails (Jurisdiction Assisted)	106	235	140	140
Prison (Short- and Long-Term TA provided)	19	18	54	61

Impact:

- 50 to 67 percent of local jails participating in the Jails Division Facility Development Program realized cost savings after participation in the program with one jurisdiction estimating annual cost savings of $2.5 million in overall operations and staff costs.

- Douglas County, Kansas avoided overbuilding a jail facility and decided to build a low-risk facility which will save $144,000 per year as a result of receiving assistance from the Jail's Division facility program.

- Michigan Department of Corrections Bureau of Health Care Services was reorganized based on recommendations made by a consultant provided by NIC.

Corrections Network - Workload/Accomplishments

- The large Jail Network consists of approximately 70 jail systems having an average daily population of 1,000 or more inmates. The assumption underlying the network strategy is that administrators of large jail systems collectively possess the expertise and experience necessary to deal with any issue that any one of them may face. To facilitate the exchange of knowledge the Institute hosts two sessions per year. This program has resulted in the following: Denver County Jail implemented an inmate phone system based on the success of a similar program in Los Angeles County; information on procedures for implementing smoke-free jails resulted in 6 more jails adopting and implementing smoke-free jail policies; and Los Angeles County Sheriff's Department provided detailed material on their revised personnel policies and procedures based on new ADA (Americans with Disabilities Act) requirements. These materials will be used as a basis for others to use, thus saving significant staff hours in research and development.

- The National Sheriff's Institute provides training to the 140 to 160 new sheriffs elected to office each year. The program is designed to enhance the sheriff's administrative skills which will allow him/her to effectively manage the agency, personnel, and the surrounding criminal justice environment. During fiscal year 1993, 1994, and 1995, the Institute plans to provide training to 50 new sheriffs.

- Association of State Correctional Administrators. State directors of departments of corrections have few opportunities to network with their peers for the exchange of information, sharing of resources or joint problem solving. For several years the Institute has awarded a grant for the provision of annual networking seminars for all directors of state corrections as well as the Federal Bureau of Prisons, Cook County, New York City, the City of Philadelphia, and Puerto Rico. The grant provides for one to two orientation programs for new directors to meet with experienced directors, training assistance for regional meetings, and the provision of a Survival Kit to newly appointed directors. The Institute provided training to 48 new directors in FY 1992, and will train 53 in 1993, 60 in 1994 and 1995.

In additional to NIC funded program development initiatives, the Institute has entered into partnerships with the Center for Mental Health Services to address the problem of the mentally ill in jails; the National Aeronautics and Space Administration to study technologies that might benefit the corrections community both now and in the future; the Bureau of Indian Affairs to improve operations of the 67 jails in the area of jail standards and procedures; and the Bureau of Justice Assistance to support the design and delivery of training and technical assistance for states and local jurisdictions desiring to implement or improve boot camp programs as intermediate sanctions for non-violent offenders.

gram changes: A program decrease of one position, one workyear ar '78,000 is requested. This change would result in the Institute red its dated functions in the areas of program development, training and cal assistance activities.

Federal Prison System
National Institute of Corrections
Reimbursable Resources
Summary of Requirements
(Dollars in thousands)

	1993 Actual			1994 Estimate			1995 Request			Increase/Decrease		
	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
National Institute of Corrections.....	...	...	$554	...	...	$810	...	...	$576	...	...	$-234

Justification of Increase/Decrease:

The reimbursements to the National Institute of Corrections (NIC) are related to providing training and technical assistance to juvenile justice administrators and practitioners; and planning, developing and delivering training programs for the Bureau of Prisons staff.

Federal Prison System
National Institute of Corrections

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Pos.	Amount
Grades GM-13	-1	$- 62
Total workyears and personnel compensation....	-1	- 62
Personnel benefits.....	...	- 20
Travel and transportation of persons.....	...	- 25
Rent.....	...	- 5
Comm., utilities, and misc. charges.....	...	- 1
Other services.....	...	-121
Supplies and materials.....	...	- 1
Equipment.....	...	- 13
Grants.....	...	-130
Total program workyears and obligations changes requested, 1995.....	-1	-378

Federal Prison System
National Institute of Corrections

Status of Congressionally Requested
Studies, Reports, and Evaluations

The Conference Report for the Department of Commerce, Justice, and State, the Justice, and State, the Judiciary and Related Agencies Appropriations Bill, Fiscal Year 1994, (House Report 103-293) urges the National Institute of Corrections (NIC) to begin work with the Center for Mental Health Services Substance Abuse and Mental Health Services Administration, the National Institute of Justice to establish a framework for a continuing relationship in order to engage in joint planning and implementation of initiatives for mental health and criminal justice partnerships to improve delivery of mental health services to those incarcerated in the criminal justice system. The NIC is implementing the memorandum of understanding between these organizations, and will provide a report on the accomplishments of the joint venture to the Department by March 21, 1994.

Federal Prison System
National Institute of Corrections

Detail of Permanent Positions by Category
Fiscal Years 1993 - 1995

Category	1993	1994	1995		
	Authorized	Appropriation Enacted	Base	Program Change	Request
Correctional Institution Admin. (006)	25	25	25	...	25
Personnel (200-299)	2	2	2	...	2
General Administration, Clerical, and Office Services (300-399)	18	18	18	-1	17
Accounting and Budget (500-599)	4	4	4	...	4
Information and Arts Group (1000-1099)	1	1	1	...	1
Attorneys (905)	1	1	1	...	1
Business and Industry (1102)	1	1	1	...	1
Total	52	52	52	-1	51
Washington	28	28	28	-1	27
U.S. Field	24	24	24	...	24
Total	52	52	52	-1	51

Federal Prison System
National Institute of Corrections
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
1994 Appropriation Enacted	52	52	$10,211
Mandatory Increases:			
1995 Pay Raise	...	...	44
1994 Locality Pay	...	...	40
Within-grade Increases (WIG)	...	...	31
FTS 2000	...	...	10
Acquisition Training cost	...	...	1
General pricing level adjustment	...	...	194
Total, mandatory increases	...	...	320
Decreases:			
One Less compensable day	...	...	-9
	...	...	-49
1995 Base	52	52	10,522
Program Changes:			
1994 Locality Pay Absorption	...	...	-40
FTE Reduction to meet staffing levels of the Administration	-1	-1	-100
Administrative savings	...	...	-238
Total, program changes	-1	-1	-378
1995 Request	51	51	10,144

Federal Prison System
National Institute of Corrections
Justification of Adjustments to Base
(Dollars in thousands)

	Amount
Mandatory increases:	
1. 1995 pay raise This request provides for the proposed 1.6 percent pay raise to be effective in January 1995 and is consistent with Administration policy. The amount requested, $44,000, represents the pay amounts requested for the three-quarters of the fiscal year plus appropriate benefits ($30,800 pay and $13,200 benefits = $44,000).	$44
2. Locality Pay The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For FY 1994, $120,000 in locality pay costs for three-quarters of the year will be absorbed as discussed in the Crosswalk of 1994 Changes exhibit. For FY 1995, full year cost totalling $160,000 must be absorbed and the impact of absorbing the 1995 increment of $40,000 is reflected as a program decrease as shown on the Summary of Change.	40
3. Within-grade Increases This request provided for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request included $21,700 for pay and $9,300 for benefits.	31
4. FTS 2000 During the development of the 1994 budget, the Office of Management and Budget decreased the funding for FTS 2000 based on the General Service Administration (GSA) projected rate decreases that were to amount to anywhere between 10 and 35 percent. GSA current projections, based on our fiscal year 1993 actual charges show that these rate decreases did not occur. Therefore, an increase of $10,000 is required to meet the Department's commitment to GSA.	10
5. Acquisition Training Costs This increase represents the funds that will be needed to bring the current Level I-IV contracting officers into compliance with the Department's plan to implement OFPP Policy Letter 92-3 which mandates specific training requirement for acquisition personnel that allows them to perform their job. An increase of $1,000 will be required in 1995.	1
6. General pricing level adjustment This request applies OMB pricing guidance as of January 29, 1993 to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulations. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	194
Total, mandatory increases	320

Decreases:

2. <u>One Less Compensable Day</u>..... -9
The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $6,300 for pay and $2,700 for benefits.

Total Decreases..... -9

Total, Adjustments to Base..... 311

Federal Prison System
National Institute Of Corrections
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual		1994 Estimate		1995 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ES-5 $111,800	1		1		1		...	
GS/GM-15 $66,609-86,589	6		6		6		...	
GS/GM-14 $56,627-73,619	5		5		5		...	
GS/GM-13 $47,920-62,293	18		18		17		(1)	
GS-11 $33,623-43,712	3		3		3		...	
GS-09 $27,789-36,123	3		3		3		...	
GS-08 $25,159-32,710	1		1		1		...	
GS-07 $22,717-29,530	6		6		6		...	
GS-06 $20,443-26,572	3		3		3		...	
GS-05 $18,340-23,839	6		6		6		...	
1995 pay increase	...		...		...	$44		$44
Locality Pay	...		...	$160	...	$40		($120)
Total appropriated positions	52	$2,552	52	$2,494	51	$2,371	(1)	($123)
Pay above stated annual rates	...	9	...	9	...	...	...	(9)
Lapses	...	0	(1)	(44)	(1)	(44)	...	0
Savings due to lower pay scales part of year	...	(25)	...	(70)	...	(14)	...	56
Net full-time permanent	52	2,536	51	2,389	50	2,313	(1)	(76)
Other than permanent	1	76	1	40	1	39	0	(1)
Other personnel compensation:								
Overtime	1	70	...	...	...	...	...	...
Other	13	840	10	656	10	639	...	(17)
Total, workyears and personnel compensation	67	3,522	62	3,085	61	2,991	(1)	(94)
Average ES Salary		(111,800)		(111,800)		(114,036)		
Average GS/GM Salary		(44,436)		(44,436)		(45,325)		
Average GS/GM Grade		(10.8)		(10.8)		(10.8)		

Federal Prison System
National Institute Of Corrections
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Estimate		1995 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
11 Personnel compensation:								
11.1 Full-time permanent	52	$2,536	51	$2,389	50	$2,313	(1)	($76)
11.3 Other than full-time permanent	1	76	1	40	1	39	0	(1)
11.5 Other personnel compensation	14	910	10	656	10	639	0	(17)
Total	67	3,522	62	3,085	61	2,991	(1)	(94)
12 Personnel benefits		629		661		644		(17)
21 Travel and transportation of persons		342		338		329		(9)
22 Transportation of things		23		81		79		(2)
23.1 GSA rent		0		82		80		(2)
23.2 Rental payments to others		76		109		106		(3)
23.3 Communications, utilities and misc. charges		110		108		105		(3)
24 Printing and reproduction		136		144		140		(4)
25.1 Consulting services		0		0		0		0
25.2 Other services		5,871		4,345		4,187		(158)
26 Supplies and materials		134		75		73		(2)
31 Equipment		101		60		58		(2)
41 Grants, subsidies, and contributions		1,096		1,386		1,350		(36)
43 Interest and dividends		2		2		2		0
Total direct obligations		12,042		10,476		10,144		(332)
Unobligated balance, start-of-year		(2,058)		(265)		0		
Unobligated balance, end-of-year		265		0		0		
Total Requirements		10,249		10,211		10,144		
Relation of obligations to outlays:								
Total obligations		12,042		10,476		10,144		
Obligated balance, start-of-year		4,429		4,624		9,113		
Obligated balance, end-of-year		(4,624)		(9,113)		(10,709)		
Outlays		11,847		5,987		8,548		

Department of Justice

Federal Prison System

Buildings and Facilities

Estimates for Fiscal Year 1995

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Federal Prison System

Buildings and Facilities

Summary Statement

Fiscal Year 1995

The Federal Bureau of Prisons (BOP) is requesting a total of 305 positions, 296 workyears, and $191,021,000 in 1995 for Buildings and Facilities. This request represents a decrease of 15 positions, 21 workyears, and $78,522,000 from the FY 1994 Appropriation.

The mission of the BOP is to protect society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, and appropriately secure, and which provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens. The BOP currently manages 74 facilities in six regions of the country, and as of January 27, 1994, supervised nearly 82,000 inmates within those facilities. In addition, BOP is responsible for over 8,500 Federal inmates in community corrections centers, contract detention centers and other contract facilities. By end of year 2000, we project an increase of 50 percent in the inmate population to 122,092.

There are three major appropriations for BOP: Buildings and Facilities; Salaries and Expenses; and National Institute of Corrections. The purpose of the Buildings and Facilities appropriation is to enable construction of a safe and secure environment which provides an acceptable level of privacy and a complete range of programs and activities for improving offenders' capabilities to achieve crime-free lives, and to maintain existing facilities thereby protecting capital investment. Hence, the Buildings and Facilities appropriation has two decision units, (1) New Construction and (2) Modernization and Repair. The request for funding to accomplish major initiatives are summarized under each decision unit.

One of the most serious problems BOP must address is overcrowding. Thus, BOP has analyzed the projected inmate population to determine long-range facility needs by security level, and has prepared the 1995 request using these findings.

Recently, there has been a change in "rated capacity" to fully include "double bunking". In the past, "double bunking" was considered as a temporary solution to overcrowding, but it did not change the "rated capacity". Now however, it has been officially included in the "rated capacity" standards. BOP's policy on rated capacity has been revised to provide for 100% double-bunking in minimum and low security institutions, 50% double-bunking in medium security institutions and 25% double-bunking in high security institutions and detention facilities. As such, BOP is presenting a 1995 request which incorporates both classification/designation and rated capacity changes. These changes are intended to bring us closer to our goal of operating at 100% of rated capacity. The BOP is also building larger institutions and complexes which result in a more cost effective utilization of resources.

The BOP has fully reviewed the status of construction on previously-funded projects. In addition, BOP personnel reevaluated those projects for which site and planning funding has already been provided to determine if construction monies could be obligated in 1995 or whether the construction funding request should be deferred. As such, not all new construction funding is included in the 1995 request for projects initiated earlier. The BOP has limited its request to only the very highest priority projects. The projects for which funding is requested in 1995 will allow BOP to maintain the necessary capacity expansion to keep pace with inmate population growth.

New Construction

BOP is requesting a net increase of 7 positions, 1 workyear, and $82,008,000 for new construction. This level of funding will permit some site and plannings and additional construction for sentenced inmates, and provide funding for the annual lease of the Oklahoma City, Oklahoma detention facility.

For sentenced Federal offenders, the BOP is requesting an increase of $74,000,000 for the site and planning of two construction projects in California and Beaumont, Texas; and funding to complete a low security facility in Louisiana. Currently, the Western Region has the highest overcrowding level of low security inmates, while having one of the fewest number of low security beds. BOP tries to place inmates as close to their state of residence as practical, given certain classification restrictions, as we believe an inmate's proximity to his or her home during incarceration will enhance eventual transition back into society. Consistent with that goal, we are projecting a shortfall of nearly 4,500 low security beds, for males, in the Western Region by 1995. Thus, we are requesting $8,000,000 for site and planning of a low security facility in California (Western Region). Site and planning funds

of $8,000,000 are also requested for a medium security facility in Beaumont, Texas. The BOP already has funding for minimum, low, and high security facilities at this complex in Texas. Building a medium security facility at Beaumont supports overall population projections and takes advantage of shared costs associated with the complex. Finally, we are requesting $58,000,000 for construction of the Federal Correctional Institution in Pollock, Louisiana. Projected increased population has heightened the demand for low security bedspace in this area, and in 1992, preliminary funding was provided ($8,500,000) for the sitework and design of this project.

The U.S. Marshals Service (USMS) has requested that the Bureau of Prisons provide detention facilities in locations where they anticipate that local contracts will be insufficient to meet their pre-trial detention requirements. For 1995, the Bureau is requesting $8,655,000 for the annual lease at the Oklahoma City, Oklahoma detention facility.

Finally, FTE reductions of 5 positions, 5 workyears and $647,000 are included in accordance with the OMB guidance for Government-wide FTE reductions.

Sentenced New Construction	Pos.	Work-Year	Amount $(000's)
Western Facility, Low	2	1	$8,000
FCI Pollock, Low	8	4	58,000
FCI Beaumont, Medium	2	1	8,000
Subtotal, Sentenced	12	6	74,000
Detention New Construction			
Annual Lease of Oklahoma City, OK FDC	0	0	8,655
Subtotal, Detention	0	0	8,655
Subtotal, New Construction	12	6	82,655
FTE Reduction to meet Staffing Levels of the Administration	(5)	(5)	(647)
Total, New Construction	7	1	82,008

Modernization and Repair of Existing Facilities

The BOP has an ongoing program for the replacement and/or rehabilitation of obsolete structures and plant facilities. Nearly 50 percent of BOP facilities are over 30 years old. Moreover, prison facilities are subjected to heavier than normal use. Each year several high priority projects are identified by field facilities. Their project requests are then analyzed and ranked, and only the most critical have been included in the 1995 request. The Bureau of Prisons is requesting an increase of $3,297,000 for modernization and repair of existing facilities. In addition, a reduction of $144,000 is required to absorb the 1995 annualized cost of the 1994 locality pay increase. This includes the following:

	Pos.	Work-Year	Amount $(000's)
Hazardous Waste	1	1	$1,025
Life Safety	3	3	2,272
Subtotal	4	4	3,297
1994 Locality Pay	0	0	(144)
Total, Modernization and Repair	4	4	3,153

As BOP implements the personnel increases reflected in this budget for FY 1994 and 1995, it will endeavor also to begin implementing the recommendation of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers, by the year 1998.

Federal Prison System

Buildings and Facilities

Justification of Proposed Changes in Appropriation Language

The 1995 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Buildings and Facilities

For planning, acquisition of sites and construction of new facilities; leasing the Oklahoma City Airport Trust Facility; purchase and acquisition of facilities and remodeling and equipping of such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account; [$269,543,000]_, to remain available until_ $191,021,000 expended, of which not to exceed $14,074,000 shall be available to construct areas for inmate work programs: Provided, That [not to exceed $16,000,000 from unobligated balances shall be available for the Cooperative Agreement Program (CAP): Provided further, That] labor of United States prisoners may be used for work performed under this appropriation: Provided further, That not to exceed 10 per centum of the funds appropriated to "Buildings and Facilities" in this Act or any other Act may be transferred to "Salaries and Expenses", Federal Prison System upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate in compliance with provisions set forth in section 605 of this Act[: Provided further, That unless a notification as required under section 605 of this Act is submitted to the Committee on Appropriations of the House and Senate, none of the funds in this Act for the CAP shall be available for a cooperative agreement with a State or local government for the housing of Federal prisoners and detainees when the cost per bed space for such cooperative agreement exceeds $50,000, and in addition, any agreement with a cost per bed space that exceeds $25,000 must remain in effect for no less than 15 years].

18 U.S.C. 4003, 4009, 4010, 4013(a)(4), 4042, 4125; Department of Justice and Related Agencies Appropriations Act, 1994.

Explanation of Changes:

1. Language referencing CAP and the one-time transfer of CAP balances are deleted, since no CAP funds are included in the budget request.

Federal Prison System
Buildings and Facilities
Crosswalk of 1994 Changes
Dollars in Thousands

Activity / Program	1994 President's Budget Request			Congressional Appropriation Actions on 1994 Request			Reprogrammings			1994 Appropriation Enacted *		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. New Construction	196	196	$155,954	0	0	(7,307)	0	0	0	196	196	148,647
2. Modernization and Repair of Existing Facilities	124	121	120,896	0	0	0	0	0	0	124	121	120,896
Total	320	317	276,850	0	0	(7,307)	0	0	0	320	317	269,543

* The cost of locality pay in 1994 is $432,000. Reductions will be made through cutbacks in administrative program areas. No FTE or positions will be eliminated.

Federal Prison System
Buildings and Facilities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm Pos.	Work-Years	Amount
1994 as Enacted	320	317	$269,543
Mandatory Increases	0	0	2,118
Decreases (automatic, non-policy)	(26)	(26)	(165,801)
1995 Base	294	291	105,860

Estimates by Budget Activity:	1993 as Enacted			1993 Actual			1994 Enacted Level			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
New Construction	201	189	$191,903	201	146	$395,495	196	195	$148,647	183	183	$14,074	190	184	$96,082	7	1	$82,008
Modernization and Repair	132	129	147,322	132	138	133,074	124	121	120,896	111	108	91,786	115	112	94,939	4	4	3,153
Total	333	318	339,225	333	284	528,569	320	317	269,543	294	291	105,860	305	296	191,021	11	5	85,161
Other Workyears:																		
Overtime		4			2			1			1			1			0	
Other		5			12			2			2			2			0	
Total Compensable Workyears		327			298			320			294			299			5	

Federal Prison System
Buildings and Facilities
Justification of Program and Performance
Activity Resource Summary

Activity: Buildings and Facilities

	1994 Appropriation			1995 Base			1995 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
New Construction.....	196	196	$148,647	183	183	$14,074	190	184	$96,082	7	1	$82,008
Modernization and Repair.....	124	121	120,896	111	108	91,786	115	112	94,939	4	4	3,153
Total.....	320	317	269,543	294	291	105,860	305	296	191,021	11	5	85,161

This budget activity includes resources for the primary mission of the Federal Prison System (FPS). Funds requested for this activity are used to construct and maintain the Federal Prison System's correctional facilities in accordance with State, local and Federal codes, rules and regulations, in order for the Prison System to meet its primary mission.

	1994 Appropriation			1995 Base			1995 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
New Construction.....	196	196	$148,647	183	183	$14,074	190	184	$96,082	7	1	$82,008

LONG RANGE GOAL:

Provide safe, humane environments for both inmates and staff, which meet the basic human needs for privacy and dignity, support voluntary programs of self-improvement that prepare inmates for their eventual release into the community, and minimize the often corrosive effects of institutional confinement.

Expand the capacity of the Bureau of Prisons to keep pace with projected increases in the Federal inmate population and simultaneously reduce prison overcrowding.

To provide jail space for Federal prisoners by funding selected State and local governments for renovation and construction of detention facilities.

MAJOR OBJECTIVES:

Review BOP capacity requirements.

Locate and acquire suitable, surplus facilities as an alternative to new prison construction.

Locate and acquire suitable sites for new construction.

Prepare design programs and concepts for new facilities, including new housing units.

Construct new Federal prisons and detention centers and expand existing Federal prisons as required.

Undertake a leasing program for the Oklahoma City detention facility.

Encourage State and local governments to house U.S. Marshal detainees and to ensure that conditions of confinement are in compliance with acceptable detention standards.

Provide Cooperative Agreement Program (CAP) funding to selected State and local governments for renovation and construction of detention facilities in return for long-term, guaranteed jail space for Federal prisoners.

BASE PROGRAM DESCRIPTION: The Bureau of Prisons continuously reviews capacity requirements, considering the projected inmate population level, current law enforcement initiatives, geographic origin of the confined population, and the age and condition of present facilities. As Federal inmate population levels are projected to exceed the capacity of the Bureau of Prisons, every possible action is taken to keep institutional overcrowding at manageable proportions to ensure that Federal inmates continue to serve their sentences in a safe and humane environment.

The Federal Prison System is at the end of the administration of justice pipeline. Most other criminal justice agencies have at least some degree of discretion in controlling their workloads, typically through priority systems developed to ensure that the important cases are handled. Prison systems, however, have virtually no discretion and must accept all inmates sentenced to confinement by the courts. While it is impossible to predict future population levels with 100 percent precision, all concerned agree that the number of Federal inmates will continue to increase. With a growing body of Federal offenses and the continuing wave of violent crime, it is difficult to see an end to the growing population in Federal prisons.

The Bureau of Prisons follows a policy of increasing system capacity through:

- the increased utilization of contract facilities including private sector prisons (see the decision unit "Contract Confinement" in the Salaries and Expenses appropriation);
- the expansion of existing facilities;
- the acquisition and conversion of military and other properties to prison use; and
- the construction of new prisons.

From a cost perspective, the expansion of existing institutions is the least expensive technique for increasing FPS capacity. The BOP is currently building additional housing units at facilities where program space can absorb further population increases. However, where major program areas such as food service and utilities are already saturated, expansion may approach the cost of newly constructed facilities.

The BOP continually reviews Federal surplus and other property for possible acquisition and conversion to correctional use. The acquisition and conversion of existing property and structures is much less expensive than new construction and such facilities can be brought on-line in a much shorter period of time. While conversion of facilities to minimum and low security institutions is usually feasible, it generally is not cost-effective to convert most surplus properties to higher security level institutions because appropriate physical security measures must be designed into the facility. Converting existing non-correctional properties to medium and maximum security facilities is frequently more expensive than the design and construction of new institutions.

Despite BOP's success in increasing its capacity through contract confinement, the expansion of existing facilities, and the acquisition and conversion of military and other surplus properties, it is sometimes still necessary to construct new prisons, (especially at higher security levels) and for pre-trial detention. Construction of a new prison requires that a suitable site be located and acquired. The site acquisition process includes notification of the public and preparation of an Environmental Impact Statement. The new facility is then designed by contract architects and the project is bid for construction. Essentially, the BOP oversees construction projects that have been contracted out to private construction firms.

The long range goal established for the Federal Bureau of Prisons, as noted on the previous page, is to continue to expand the capacity of the Bureau of Prisons to keep pace with projected increases in the inmate population and to simultaneously reduce and eventually eliminate prison overcrowding.

ACCOMPLISHMENTS AND WORKLOAD: As illustrated in the following table the Federal inmate population has exploded. In 1981, the Federal inmate population was 26,195. By January 27, 1994, the Federal inmate population had more than tripled to nearly 82,000.

End of Year (EOY) Population, Capacity, and Overcrowding Rates
FY 1981 to Current

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1/27/94
EOY Population.....	26,195	28,133	30,214	32,317	36,001	41,506	44,194	44,142	51,153	58,021	64,131	70,670	79,799	81,618
EOY Rated Capacity..	23,648	24,072	23,936	24,874	25,532	27,785	27,854	28,143	31,727	34,239	42,531	48,527	57,610	59,896
Percent Overcrowded.	11%	17%	26%	30%	41%	49%	59%	57%	61%	69%	51%	46%	39%	36%

The dramatic growth in the Federal inmate population over the last decade is attributed to increases in both the number of new admissions and the average time served per inmate. In general, earlier in the decade the driving force was the increased rate of admissions. More recently, while the admissions continue to grow, the rate of growth has moderated. However, because of sentencing legislation, the increase in average time served has become a much greater factor in causing BOP population growth.

In addition to housing sentenced Federal inmates, over the past several years the Bureau of Prisons has steadily increased its assistance to the U.S. Marshals Service in housing unsentenced Federal pre-trial detainees. The Bureau of Prisons now houses nearly one-third of the current detainee population.

As of January 27, 1994, the Federal inmate population was 81,618. They were housed in 74 facilities, with a rated or design capacity of 59,896. This represents a system-wide average crowding rate of 36 percent over capacity (January 1994). Most facilities are overcrowded, and several facilities are operating at over twice their capacity.

The Bureau of Prisons goal is to return to an operating level at 100 percent of rated capacity, as defined in Policy Statement 1060.09, "Rated Capacities of Bureau Facilities". The management concept of "rated capacity" is important because it is an essential element of the basis upon which BOP's overcrowding goal and capacity expansion plan are developed.

The 1995 request incorporates both classification/designation and rated capacity changes.

The Bureau's policy on rated capacity has been revised to provide for 100% double-bunking in minimum and low security institutions, 50% double-bunking in medium security institutions and 25% double-bunking in high security institutions and detention facilities.

The changes in computing rated capacity significantly increased double-bunking and in effect have been incorporated into the base statistic used to compute the crowding rate. For example, 100 percent of capacity will require two-thirds of the inmates in medium security to be double-bunked, and all of the inmates in minimum and low security will have to be doubled, where cell size is sufficiently large to allow double-bunking. If new facilities were to house more than 100 percent of capacity, almost all of the inmates in medium security will have to be doubled, and a substantial percentage of the inmates in low and minimum security facilities will have to be triple-bunked.

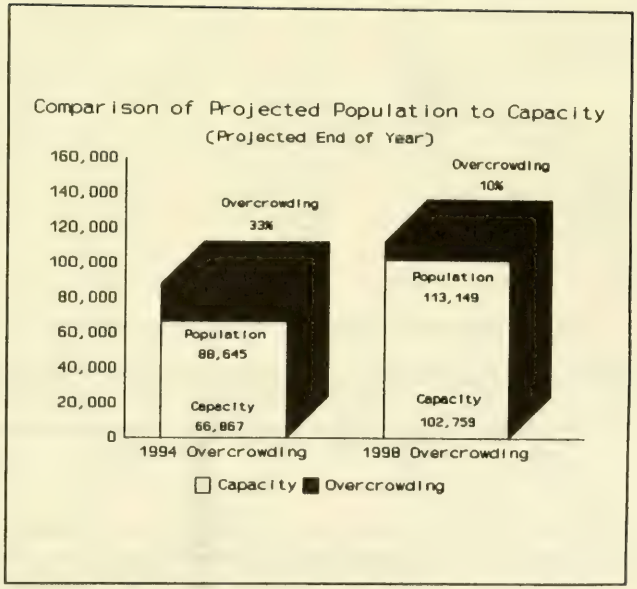
From an operational perspective, a more important factor is the average crowding rates by security level. The Bureau's strategy for reducing crowding involves several initiatives: expanding capacity through new construction and renovation; modifying rated capacity policy measurements to allow more crowding within the definition of any particular institution's rated capacity; upscaling the size of new institutions to gain efficiencies in construction and staffing costs; and, regularly evaluating the population projections to ensure the most efficient mix of institutions within the Bureau, for both current and new facilities.

Under construction are three Federal Correctional Complexes (Butner, North Carolina; Coleman, Florida; and Florence, Colorado), four medium security Federal Correctional Institutions with camps (Beckley, West Virginia; Pekin and Greenville Illinois; and Cumberland, Maryland), three Federal Detention Centers (Miami, Florida and Brooklyn, New York), a Federal Correctional Institution in Fort Dix, New Jersey and a Federal Transfer Center (FTC) in Oklahoma City, Oklahoma which will be leased. In addition, construction will begin shortly on the Federal Correctional Institution in Taft, California.

Further, the Bureau of Prisons either has in design or is considering sites for an additional complex located at Beaumont, Texas; medical/low and minimum security facilities at Fort Devens, Massachusetts; a Federal Correctional Institution with camp (Elkton, Ohio); four Federal Correctional Institutions (Yazoo City, Mississippi; Forrest City, Arkansas; Waseca, Minnesota; and Edgefield, South Carolina); and three Federal Detention Centers (Seattle, Washington; Houston, Texas; and Philadelphia, Pennsylvania). Also, preliminary investigations have been initiated for medical/low and minimal security facilities at Carswell AFB, Texas; two minimum security camps at George AFB, California and Scranton, Pennsylvania; a Federal Correctional Institution in Pollock, Louisiana; and a Federal Detention Center in Hawaii.

To further advance the Bureau's construction program, architectural design programs were developed in draft form for Federal Correctional Institutions, U.S. Penitentiaries, Federal Prison Camps, Federal Detention Centers and administrative facilities. These programs maintain consistency not only in the design of new institutions, but also in the renovation of existing institutions. In addition, several new construction techniques were initiated which are expected to shorten the construction time for new institutions. These techniques include the use of pre-cast concrete modular cells, the use of Computer-Assisted Drafting for the design of new facilities and the design and construction of Federal Correctional Complexes.

The Bureau of Prisons is constantly seeking cost-saving methods of constructing and operating new facilities. One method we have adopted is building larger institutions. We have increased the rated capacity of our new low security facilities from 1,000 to 1,536 beds; medium security facilities from 750 to 1,152 beds; and high security facilities from 500 to 960. This will enable us to take advantage of increasing economies of scale.



These changes, coupled with the recent policy changes regarding rated capacity, have substantially reduced resource requirements for the Bureau of Prisons, while simultaneously bringing us closer to our goal of operating at 100 percent of rated capacity.

Funding approved through 1994 for the construction of new prisons, the acquisition of surplus facilities for conversion to prison use, the expansion of existing institutions, and rated capacity policy changes will add over 41,000 beds when completed. As demonstrated by the bar graph above, by 1998 the capacity will be 102,759 reducing overcrowding to 10 percent.

It must be emphasized that while all funds previously provided can not be formally obligated until contracts are awarded, commitments to construct at specific locations will require 100 percent obligation of existing resources. The chart on the following page details construction projects approved through 1994.

APPROVED/FUNDED RATED CAPACITY REQUIREMENTS

	1994	1995	1996	1997	1998	TOTAL
NEW FACILITIES						
Fort Dix, NJ (Acquire)	1,600					
Florence, CO (High)	640					
Miami, FL FDC	1,233					
Allenwood, PA (High)	640					
Atlanta, Ga Detention Holdover Unit	370					
Fort Worth, TX Long-Term Care	85					
El Reno, OK Units		240				
Cumberland, MD		1,024				
Florence, CO (Admin Max)		484				
Allenwood, PA Witsec		54				
Seagoville, TX Detention Unit		188				
Greenville, IL		1,024				
Pekin, IL		1,024				
Sheridan, OR Detention Unit		188				
Oklahoma City, OK (Lease)		1,043				
Coleman, FL		3,200				
Butner, NC (Low)		992				
Beckley, WV FCI		1,536				
Waseca, MN		1,150				
Carswell AFB, TX (Min. & Medical)		450				
Ft. Devens, MA (Min. & Medical)		806				
Safford, AZ		120				
Brooklyn, NY Detention Center			1,229			
Butner, NC Medical			763			
Taft, CA FCI			2,048			
Beaumont, TX			3,008			
Forrest City, AR			1,536			
Yazoo City, MS			1,536			
Terre Haute, IN Convert Seg			125			
Bastrop Camp			94			
Pensacola, FL			106			
Otisville, NY			100			
Loretto, PA			100			
El Paso, TX			85			

	1994	1995	1996	1997	1998	TOTAL
Edgefield, SC				1,536		
Seattle, WA Detention Center				677		
George AFB CA, (Female)				512		
Elkton, OH				2,048		
Philadelphia, PA				835		
Carswell AFB, TX (Low)				256		
Ft. Devens, MA (Low)				256		
Ft. Devens, MA (Med.)				384		
Houston, TX					677	
Western Facility, CA (Low)					1,536	
Beaumont, TX (Med.)					1,152	
Pollock, LA					1,536	
Hawaii					677	
Scranton, PA (Min., Female)					512	
TOTAL APPROVED/FUNDED CAPACITY	4,568	13,523	10,730	6,504	6,090	41,415

The year-end capacity, illustrated in the table above is consistent with the lead time necessary for activations, although the majority of beds may not be available until three to six months later.

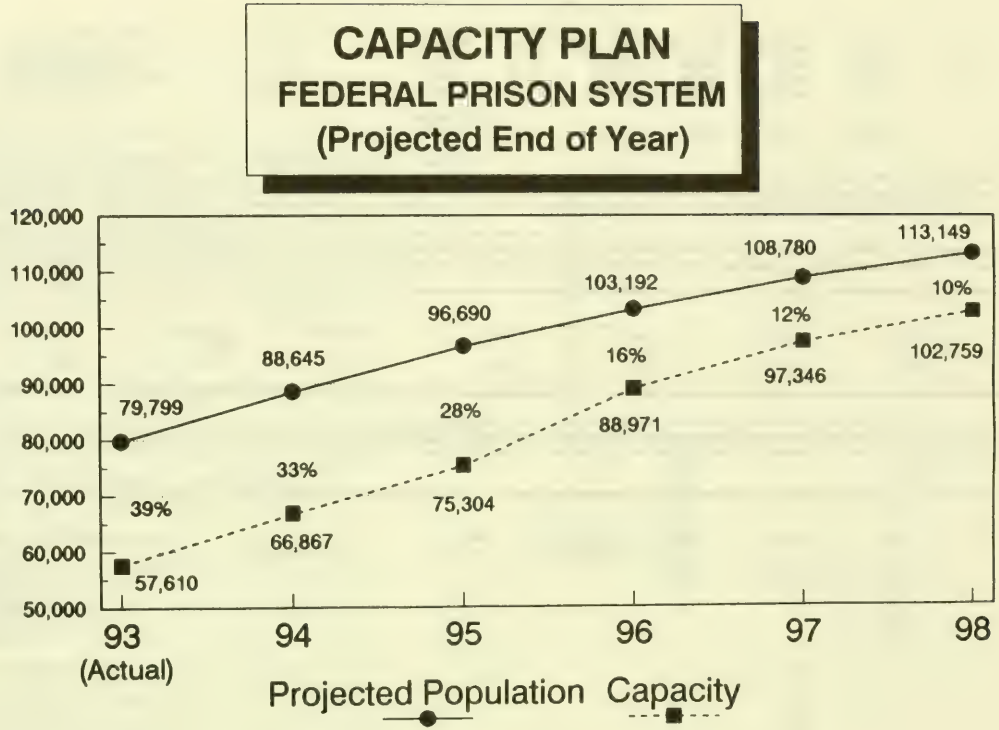
BOP regularly updates its population projections and includes an increased level of support in the area of pre-trial detention. As a result, the Bureau now projects a Federal inmate population of 88,645 by end of year 1994. Additionally, our long-range forecast projects the Federal inmate population will continue to grow by 50 percent from the current level, and reach 122,092 by 2000. Year-end population projections are as follows:

1994	1995	1996	1997	1998	1999	2000
88,645	96,690	103,192	108,780	113,149	118,366	122,092

Since mid-1987, the Bureau has been able to use a simulation to derive its long term population projections. The model is sensitive to changes in trends in the number of inmates admitted, as well as the inmate's period of incarceration. Thus, the model uses an estimate of the inmate's projected length of stay, rather than sentence, to determine how long a prison bed will be occupied.

As illustrated in the following table, resources approved through 1994 will have a tremendous impact on the overcrowding rate in Federal prisons. In 1998, the population is expected to reach 113,149. With the activation of over 41,000 beds and current policy changes, the capacity of the Federal Prison System will increase to 102,759 by 1998. The following data compares projected fiscal year-end capacity and population. The year-end capacity in this table ties to the date by which the majority of beds are available to inmates.

	1993 (Actual)	1994	1995	1996	1997	1998
Starting Capacity	48,527	57,610	66,867	75,304	88,971	97,346
Approved/Funded Capacity	9,083	9,257	8,437	13,667	8,375	5,413
Subtotal Capacity	57,610	66,867	75,304	88,971	97,346	102,759
Population Projection	79,799	88,645	96,690	103,192	108,780	113,149
Percent Overcrowded	39%	33%	28%	16%	12%	10%


CAPACITY PLAN
FEDERAL PRISON SYSTEM
(Projected End of Year)
120,000
110,000
100,000
90,000
80,000
70,000
60,000
50,000
79,799
88,645
96,690
103,192
108,780
113,149
39%
33%
28%
16%
12%
10%
57,610
66,867
75,304
88,971
97,346
102,759
93
(Actual)
94
95
96
97
98
Projected Population
Capacity

PROGRAM CHANGES:

The Bureau of Prisons new construction program for 1995 includes a net increase of 7 positions, 1 workyear, and $82,008,000 for planning, site acquisition, design and project supervision. The new construction base program of $14,074,000 is requested to provide work programs through the construction of new factories. In addition, Government-wide FTE reductions of 5 positions, 5 workyears and $647,000 are included in accordance with OMB guidance. The table below breaks out the new facilities by institution.

Facilities:	Pos.	Work Year	Amount $(000's)
Sentenced			
Western Facility, Low (1,536 beds)	2	1	$8,000
FCI Pollock, Low (1,536 beds)	8	4	58,000
FCI Beaumont, Medium (1,152)	2	1	8,000
Total Sentenced (4,224 beds)	12	6	74,000
Detention			
Annual Lease for Oklahoma City, OK FDC (1,043 beds - included in FY 1990 budget)	0	0	8,655
Total Detention (1,043 beds included in FY 90 budget)	0	0	8,655
Subtotal (5,267 beds - 1,043 included in FY 90 budget)	12	6	82,665
FTE Reduction to meet Staffing Levels of the Administration	(5)	(5)	(647)
Total, FY 1995 New Construction	7	1	82,008

The primary mission of BOP is to carry out the judgements of the Federal Courts for sentenced Federal offenders. To keep pace with the projected growth in the sentenced Federal inmate population and reduce or eliminate overcrowding, $74,000,000 is requested for the site and planning of two construction projects in California and Beaumont, Texas and funding to complete a low security facility in Louisiana. Currently, the Western Region has the highest overcrowding level of low security inmates, while having one of the fewest number of low security beds. The BOP tries to place inmates as close to their state of residence as practical, given certain classification restrictions. BOP believes that an inmate's proximity to his or her home during incarceration will enhance their eventual transition back into society. Consistent with that goal, we are projecting a shortfall of nearly 4,500 low security beds, for males, in the Western Region by 1995. Thus, we are requesting $8,000,000 for site and planning of a low security facility in California (Western Region). Site and planning funds of $8,000,000 are also requested for a medium security facility in Beaumont, Texas. BOP already has funding for minimum, low, and high security facilities at this complex in Texas. Building a medium security facility at Beaumont supports overall population projections and takes advantage of shared costs associated with complex. Finally, we are requesting $58,000,000 for construction of the Federal Correctional Institution in Pollock, Louisiana. Projected increased population has heightened the demand for low security bedspace in this area. In 1992, preliminary funding was provided ($8,500,000) for the sitework and design of this project.

The USMS has requested that the Bureau of Prisons provide detention facilities through the construction of new detention centers and the expansion or establishment of detention units at existing Federal prisons, where they anticipate that local contracts will be insufficient to meet their pre-trial detention requirements. For 1995 the Bureau is requesting $8,655,000 for the annual lease at Oklahoma City, Oklahoma detention facility.

During the past decade, the Federal detainee population has exploded. The overall average daily detainee population has increased by nearly 400 percent, from nearly 4,000 in 1981 to 19,641 by the end of 1993. However, due to the continual loss of detention bedspace in State and local facilities, the average daily detention population in the Bureau of Prisons' facilities will increase by nearly 500 percent, from 1,178 in 1981 to a projection of 6,800 by the end of 1994.

The USMS first attempts to meet its detention responsibilities by contracting with local jails through the use of Intergovernmental Agreements (IGAs) and the Cooperative Agreement Program (CAP). Because of the magnitude of the Bureau of Prison's capacity expansion program currently underway, it is imperative that every effort be made to maintain and expand contracts with local jurisdictions.

	1994 Appropriation			1995 Base			1995 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Modernization and Repair.....	124	121	$120,896	111	108	$91,786	115	112	$94,939	4	4	$3,153

LONG RANGE GOAL: Protect capital investment in facilities. Provide safe, efficient, and adequately sized and equipped facilities for the operation of correctional programs within the Federal Prison System institutions.

MAJOR OBJECTIVES:

Repair and renovate facilities as required.

Identify and remove any hazardous waste that may exist on Federal Prison System property.

Comply with all requirements of the Joint Commission on Accreditation of Hospitals.

Comply with all requirements of the National Fire Protection Association (NFPA), 101 Life Safety Code pertaining to penal facilities.

Comply with all Federal and State Environmental Regulations.

Bring applicable utilities into compliance with National Electrical Code and American Waterworks Standards and ensure safety and security of facilities.

Modernize antiquated Federal prisons.

Make all facilities energy efficient in accordance with the Department of Energy Life Cycle Costing method.

BASE PROGRAM DESCRIPTION: This program provides the resources to undertake essential rehabilitation and renovation or replacement projects at existing institutions to ensure that structures, utilities systems, and other plant facilities are kept in a good state of repair. Proper maintenance, modernization and repair of our existing institutions is essential, particularly since nearly 50 percent of our facilities are over 30 years old. Failure to adequately maintain structures and utility systems erodes capital investment and multiplies the costs in future years for accomplishing the required maintenance and repair. In addition, failure to maintain structures can cause direct and/or indirect security problems.

Work is identified by two specific categories of projects: major line item requirements (projects valued $500,000 or more) for which funds are specifically requested by project; and repair and improvement (R&I) requirements (projects valued at $4,000 to under $500,000). R&I projects address immediate needs resulting from routine repairs, emergencies, correctional program changes, etc., and are considered the base requirements for this program.

Most maintenance and repair projects are performed using inmate crews to provide work for inmates and labor for the work performed. These inmate work crews require staff supervision to direct the work being performed and for security reasons. For this reason, nearly every project large enough to be listed as a line item, regardless of the number of projects per location, requires staff positions and workyears.

ACCOMPLISHMENTS AND WORKLOAD: Accomplishments of the program Modernization and Repair of Existing Facilities are presented in the following table:

Item	1992	1993	1994	1995 Base	Change	1995 Estimate
New projects established.....	389	354	339	339	-72	267
Projects completed and closed.....	435	442	400	400	0	400
Projects active at the end of the year.....	1,141	1,053	992	931	-133	798

It should be emphasized that nearly 50 percent of FPS facilities are over 30 years old and require continual maintenance to keep them within BOP and ACA standards. Moreover, prison facilities are subjected to heavier than normal use, especially during periods of high overcrowding.

PROGRAM CHANGES:

In 1995, FPS is requesting increases of 4 positions, 4 workyears and $3,297,000 to accomplish one hazardous waste removal and three life safety projects. Further, there is a program decrease of $144,000 to absorb the 1994 locality pay. The following is a brief description of the projects proposed:

1. Hazardous Waste: This request is for 1 position, 1 workyear and $1,025,000 to remove hazardous material from one institution.

   Big Spring, FCI-Asbestos Abatement. The request is for 1 position, 1 workyear and $1,025,000 to complete asbestos abatement (encapsulation/removal/disposal) procedures throughout the entire institution complex as required by the Asbestos Abatement Survey conducted by Cole-McDonald in 1993. In-house construction will replace ceilings, walls, paint, flooring, masonry, walls, building/pipe insulation, etc. The housing units, gymnasium, and most other buildings were previous U.S. Air Force structures which were laden with asbestos. Simple repairs and/or renovations are not acceptable in the situation.

   Below is a summary of the Hazardous Waste request:

	Pos.	WY	Amount ($000's)
Big Spring, FCI-Asbestos Abatement: Institution Wide	1	1	$1,025
Total Hazardous Waste	1	1	1,025

2. Life Safety: The request is for 3 positions, 3 workyears and $2,272,000 for Life Safety Repairs and Renovations at three institutions.

   Marianna, FCI-Life Safety Repairs and Renovations. This proposal is for 1 position, 1 workyear and $625,000 to make modifications and additions to the fire protection sprinkler system, the addition of smoke detectors, upgrading fire alarm panels, providing smoke exhaust system fans and other items identified by a Rolf-Jensen study. Many of the action items which were identified have been completed. However, these remaining items need to be finished to bring the institution into compliance with the life safety code.

   Seagoville, FCI-Life Safety Repairs and Renovations. This request is for 1 position, 1 workyear and $647,000 for installation of sprinkler systems, exit stairways, exit signs, fire doors, standpipes and pull station systems, and other action items identified by the Rolf Jensen Life Survey. A Fire Protection Engineering Survey was conducted by Rolf-Jensen in November, 1990. The survey found 112 deficiencies in 14 buildings that must be corrected to meet current NFPA and Life Safety Standards.

   Tallahassee, FCI-Life Safety Repairs and Renovations. This request is for 1 position, 1 workyear and $1,000,000 for the completion of all remaining life safety violations identified by Rolf-Jensen. This includes such items as missing or inadequate sprinkler systems, smoke detection systems, fire enclosures and fire separation. Upon completion of this project the institution will be in compliance with the current life safety code.

   Below is a summary of Life Safety requests:

	Pos.	WY	Amount ($000's)
Marianna, FCI-Life Safety Repairs and Renovations	1	1	$625
Seagoville, FCI-Life Safety Repairs and Renovatons	1	1	647
Tallahassee, FCI-Life Safety Repairs and Renovations	1	1	1,000
Total Life Safety	3	3	2,272

3. Locality Pay: A decrease of $144,000 is required to fund the 1995 cost of the FY 1994 locality pay raise .... (144)
   Total Decrease .... (144)

Federal Prison System
Buildings and facilities
Financial Analysis – Program Changes
(Dollars in thousands)

Item	New Construction			Modernization and Repair of Existing Facilities			Total		
	Pos.	Oblig.	Budget Auth.[2]	Pos.	Oblig.	Budget Auth.[2]	Pos.	Oblig.	Budget Auth.[2]
GS–12	6	253	..	2	84	.	8	337	0
GS–11	6	216	...	2	70	...	8	286	0
Total positions and annual rate	12	469	...	4	154	...	16	623	0
Less:									
Lapse	(6)	(235)					(6)	(235)	
FTE Reduction to meet Administration Guidelines	(5)	(178)	(647)				(5)	(178)	(647)
Locality Pay – Program Decrease[3]						(144)			(144)
Total workyears and personnel compensation[1]	1	56	493	4	154	122	5	210	615
Personnel benefits	..	17	153	..	48	38	0	65	191
Travel and Transportation of persons		0	0		0	0	0	0	0
Transportation of things	..	6	6	..	0	0	0	6	6
Rental payment to others	..	6	6	.	0	0	0	6	6
Comm, utilities and miscellaneous	..	6	6	..	0	0	0	6	6
Printing and reproduction	..	5	5	.	0	0	0	5	5
Other services		76,612	81,294	.	2,115	2,783	0	78,727	84,077
Supplies and materials	..	12	36	..	80	210	0	92	246
Equipment	..	5	9	.	0	0	0	5	9
Total workyears and obligations, and budget authority	1	76,725	82,008	4	2,397	3,153	5	79,122	85,161

[1]New Construction positions reflect a permanent reduction of 5 positions and workyears to meet Administration guidelines
[2]Budget authority for personnel compensation and benefits are for the life of the project.
[3]The locality pay increase of $144,000 is added to the base and is also shown as a program decrease, so there is not net program change in 1995 for locality pay

Federal Prison System

Buildings and Facilities

Status of Congressionally Requested

Studies, Reports, and Evaluations

1. The Conference Report for the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Bill, Fiscal Year 1994, (House Report 103-293), required that the Federal Bureau of Prisons perform a detailed study on the possible expansion of the Federal Correctional Institution (FCI) at Loretto, PA. The study is to address the following issues: (1) the feasibility and cost of adding a third floor to the existing facility; (2) the need to expand existing service facilities (kitchen, dining facilities, laundry, medical, recreational, etc.) to accommodate additional prisoners, and related costs; (3) are existing utilities sufficient to handle an expansion, and if not, what are the costs to upgrade those utilities; and (4) with the local community support such an expansion.

The Bureau used a private contractor to perform the study of the possible expansion of FCI Loretto. The contractor has completed the study and the Bureau is awaiting their report so that it can evaluate the findings and determine a course of action.

Federal Prison System

Buildings and Facilities

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Funds Status: New Construction: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1994 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
New facilities:							
Allenwood, PA FCC (2,454).....	1989	$6,100	$193,515	$193,515	$192,941	Low Security (992) - Complete	
		114,700				Medium Security (768) - Complete	
	1990	72,715				High Security (640) - Complete	
						Other (54) - Complete	9/94
Florence, CO FCC (2,380).....	1989	6,500	205,000	205,000	206,780	Minimum Security (512) - Complete	
		132,421				Medium Security (744) - Complete	
	1991	66,079				High Security (640) - 99% Complete	2/94
						Admin. Max Security (484) - 89% Complete	7/94
Cumberland, MD FCI (1,024).....	1989	3,100	65,000	65,000	64,465	73% Complete	9/94
		58,100					
	1990	3,800					
Brooklyn, NY MDC (1,789).....	1989	52,000	150,500	150,500	153,469	Interim Facility (560) - Complete	
	1990	61,000				Permanent MDC (1,229) - Construction Contract Awarded	1996
	1991	37,500					
Miami, FL FDC (1,233).....	1989	3,320	78,000	78,000	74,146	83% Complete	10/94
	1990	74,680					
Greenville, IL FCI (1,024).....	1990	65,500	65,500	65,500	63,812	71% Complete	9/94
Pekin, IL FCI (1,024).....	1990	65,500	65,500	65,500	63,008	74% Complete	9/94
Beckley, WV FCI (1,536).....	1990	85,000	85,000	85,000	65,780	11% Complete	4/95
Taft, CA FCI (2,048).....	1990	91,500	91,500	91,500	6,169	Construction Contract Awarded	1996
Butner, NC Complex (1,755).....	1990	160,000	168,700	168,700	54,261	Low (992) - Contract Awarded	4/95
	1991	8,700				Other (250) - In Design	1996
						Medical (513) - In Design	1996

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Fund Status: New Construction: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1994 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
New facilities: (Con't)							
Elkton, OH Complex (2,048).....	1990 1991	$56,600 30,500	$87,100	$87,100	$5,069	Minimum (512) - EIS & Design Underway Low (1,536) - EIS & Design Underway	1997 1997
Beaumont, TX Complex (4,160).....	1990	167,000	167,000	167,000	9,713	Minimum (512) - In Design Low (1,536) - In Design Medium (1,152) - Requested High (960) - In Design	1996 1996 1998 1996
Seattle, WA FDC (677).....	1990	63,800	63,800	63,800	4,805	EIS Underway	1997
Coleman, FL FCC (3,200).....	1990	134,000	134,000	134,000	116,454	Minimum (512) - Contract Awarded Low (1,536) - Contract Awarded Medium (1,152) - Contract Awarded	7/95 10/95 10/95
Oklahoma City, OK FTC (1,043).....	1990 1991	10,500 500	11,000	11,000	10,201	Lease Program 43% Complete	4/95
Hawaii MDC (677).....	1991	10,300	10,300	80,300	442	EIS Underway	1998
Houston, TX MDC (677).....	1992	54,900	54,900	54,900	9	EIS Underway	1998
Philadelphia, PA MDC (835).....	1992	81,950	81,950	81,950	4,953	EIS Underway	1997
Edgefield, SC FCI (1,536).....	1992	63,600	63,600	63,600	4,729	EIS Complete, In Design	1997
Scranton, PA, Minimum Female (512)..	1992	40,800	40,800	40,800	10	Site Investigations	1998
Pollock, LA FCI (1,536).....	1992	8,500	8,500	66,500	82	Site Investigations	1998
Middle District of Florida (677)....	1993	5,760	5,760		0	Proposed rescission project	
Yazoo City, MS FCI (1,536).....	1993	64,300	64,300	64,300	4,139	In Design	1996
Forrest City, AR FCI (1,536).....	1993	66,792	66,792	66,792	3,926	In Design	1996

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Fund Status: New Constructon: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1994 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
Acquired Facilities:							
Carswell AFB, TX (706).....	1990	$52,000	$52,000	$52,000	$0	Medical (300) - EIS Underway Minimum (150) - EIS Underway Low (256) - EIS Underway	4/95 4/95 1997
Waseca, MN (1,150).....	1990	8,000	8,000	8,000	0	EIS Underway	4/95
George AFB CA, Minimum Female (512).	1990	55,000	55,000	55,000	12	Site Investigations	1997
Ft. Devens, MA Complex (1,446).....	1993 1994	32,683 74,273	106,956	106,956	6,800	Medical Center (294) - In Design Minimum (512) - In Design Low (256) - In Design Medium (384) - In Design	7/95 7/95 1997 1997
Fort Dix, NJ FCI - East (1,600).....	1993	4,492	4,492	4,492	4,122	1,600 beds - Complete	
Fort Dix, NJ FCI - West (1,600).....	1993	3,400	3,400	3,400	819	1,600 beds - Under Development	11/94
Expansion of existing facilities:							
Atlanta, GA Holdover Unit/.....	1990	19,775	24,257	24,257	24,448	99% Complete	1/94
Detention Unit (370)	1991	4,482					
Wellis, NV (435) Phase Two.....	1990	500	500	500	457	Complete	
Yankton, SD Design, Phase II (110)..	1990	500	500	500	408	90% Complete	1/94
Milan, MI Camp (150).....	1990	1,000	1,000	1,000	0	Preliminary Stages	10/95
Tallahasse, FL Camp (150).....	1990	1,000	1,000	1,000	0	Preliminary Stages	10/95
Ft. Worth Long Term Care Unit (85)..	1991	10,500	10,500	10,500	8,827	Complete	
Terre Haute, IN Seg Unit (125).....	1991	6,100	6,100	6,100	6,201	Complete	
Sheridan, OR Det Unit (188).....	1991	9,900	9,900	9,900	9,294	30% Complete	1/95
El Reno, OK Housing Unit (0 beds - Replaces 240).....	1991	10,219	10,219	10,219	9,501	83% Complete	3/94

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Fund Status: New Construction: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1994 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
Expansion of existing facilities: (Con't)							
Seagoville, TX Det Unit (188).....	1991	$9,774	$9,774	$9,774	$882	In Design	6/95
MCC Miami Construct Camp, Phase I (98).....	1992	1,878	3,278	3,278	2,295	Phase I - 80% Complete	6/94
MCC Miami Construct Camp, Phase II (98)....	1992	1,400				Phase II - 10% Complete	
Bastrop, TX Housing (180).....	1993	5,051	5,051		0	Proposed rescission project	
Safford, AZ Housing Unit Expansion (120)...	1993	1,101	1,101	1,101	201	Preliminary Stages	8/95
Lompoc, CA Special Housing (41).....	1993	1,701	1,701		0	Proposed rescission project	
Safford Health Service/Special Housing (120)	1993	1,601	1,601		0	Proposed rescission project	
El Reno, OK Replace Housing, Phase II (0)..	1992	10,000	10,000	10,000	388	In Design	5/96
Oakdale, LA Construct Camp (94).....	1992	765	765	765	763	Complete	2/94
Bastrop, TX Construct Camp (94).....	1992	930	930	930	978	90% Complete	2/94
Otisville, NY Construct Camp (100).....	1992	750	750	750	742	75% Complete	2/94
Loretto, PA Construct Camp (100).....	1992	750	750	750	183	22% Complete	11/94

Federal Prison System
Buildings and facilities
Detail of permanent positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Appropriation	1995 Base	1995 Program Changes	1995 Total
General Administration Clerical and Office Services (300–399)	26	26	26	0	26
Accounting and Budget (500–599)	21	21	21	0	21
Engineering and Architecture Group (800–899)	151	141	115	9	124
Business and Industry Group (1100–1199)	70	67	67	2	69
Ungraded (mechanical and construction)	65	65	65	0	65
Total	333	320	294	11	305
Washington	39	39	39	6	45
U.S. Field	294	281	255	5	260
Total	333	320	294	11	305

Federal Prison System
Buildings and Facilities
Summary of Change (1994–1995)

Item	Agency Request Pos.	FTE	$(000)
1994 Enacted Level	320	317	269,543
Mandatory Increases:			
1995 Pay Raise (1.6%)	0	0	216
1994 Locality Pay	0	0	144
Within–Grade Increase (WIG)	0	0	183
General Pricing Level Adjustments (2.6%)	0	0	1,575
Total, Mandatory Increases	0	0	2,118
Decreases:			
One Less Compensable Day	0	0	(66)
Positions and workyears associated with closed projects	(26)	(26)	0
Projects funded in 1994	0	0	(165,735)
Total, Decreases	(26)	(26)	(165,801)
1995 Base	294	291	105,860
1995 Program Increases:			
New Construction:			
Sentenced Offender Capacity:			
Western Facility, Low (1,536 beds)	2	1	8,000
FCI Pollock, Low (1,536 beds)	8	4	58,000
FCI Beaumont, Medium (1,152 beds)	2	1	8,000
Total, Sentenced Offender Capacity (4,224 beds)	12	6	74,000

Summary of Change (1994 – 1995)

Item	Agency Request Pos.	FTE	$(000)
Detention Capacity:			
Annual Lease for Oklahoma City, OK FDC (1,043 beds – included in FY 1990 budget)	0	0	8,655
Total, Detention Capacity (1,043 beds included in FY 90 budget)	0	0	8,655
Subtotal, New Construction (5,267 beds – 1,043 included in FY 90 budget)	12	6	82,655
1995 Government–wide FTE Reduction	(5)	(5)	(647)
Total, New Construction (5,267 beds – 1,043 included in FY 90 budget)	7	1	82,008
1995 Program Increases:			
Modernization and Repair:			
Hazardous Waste:			
FCI Big Spring – Asbestos Abatement: Institution Wide	1	1	1,025
Total, Hazardous Waste	1	1	1,025
Life Safety:			
FCI Marianna – Life Safety Repairs and Renovations	1	1	625
FCI Seagoville – Life Safety Repairs and Renovations	1	1	647
FCI Tallahassee – Life Safety Repairs and Renovations	1	1	1,000
Total, Life Safety	3	3	2,272
1994 Program Decreases:			
Locality Pay	0	0	(144)
Subtotal Modernization and Repair	4	4	3,153
Total, Program Adjustments	11	5	85,161
1995 Estimate	305	296	191,021

Federal Prison System
Buildings and Facilities
Justification of Adjustments to Base
(Dollars in thousands)

	Positions	Work-years	Amount
Mandatory Increases:			
1. 1995 Pay Raise. This request provides for the proposed 1.6 percent pay raise to be effective in January of 1995 and is consistent with Administration policy. The amount requested, $216,000, represents the pay amounts for three-quarters of the fiscal year plus appropriate benefits ($165,000 pay and $51,000 benefits = $ 216,000).	...	...	$216
2. Locality Pay. The Federal Employees Pay Comparability Act of 1990 established a system to reduce pay disparities to a level of 5 percent between Federal and local employees by geographic location. Currently, this system provides for pay adjustments of 20 percent of the target gap to be paid in the first year and not less than 10 percent in each succeeding year, though no additional 1995 resources are requested in the budget. For FY 1994, $432,000 in locality pay costs for three-quarters of the year will be absorbed as discussed in the Justification of Program and Performance exhibit. For FY 1995, full year costs totalling $576,000 must be absorbed and the impact of absorbing the 1995 increment of $144,000 is reflected as program decreases as shown on the Justification of Program and Performance exhibit.	...	...	144
3. Within-grade Increase. This request provides for the expected increase in costs of within-grade increases. This increase is based on an accurate, dynamic model of the Department's employee population which includes numerous factors such as anticipated pay raises, adjustments to include three-year attrition/separation rates, and career ladder series to reflect promotion policy for each organization. The request includes $127,000 for pay and $56,000 for benefits.	...	...	183
4. General Pricing Level Adjustments. This request applies OMB pricing guidance as of January 29, 1993, to selected expense categories. The increased costs identified result from applying a factor of 2.6 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, printing costs, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1995 estimates.	...	...	1,575
Total mandatory increases	...	...	2,118
Decreases (Automatic nonpolicy):			
1. One Less Compensable Day. The annual salary rate for Federal employees is based on 260 paid days. 1995 has one less compensable day (260) than 1994 (261). This request includes appropriate personnel benefits based on the organization's actual law enforcement and non-law enforcement rates. The request includes $46,000 for pay and $20,000 for benefits.	...	...	(66)
2. Non-recurring Costs (Projects funded in 1994)	(26)	(26)	(165,735)
Total Decreases	(26)	(26)	(165,801)
TOTAL ADJUSTMENTS TO BASE	(26)	(26)	(163,683)

Federal Prison System
Buildings and facilities
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Estimate Positions & Workyears	1994 Estimate Amount	1995 Request Positions & Workyears	1995 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
GS/GM–14 $56,627–73,619	6		6		6		0	
GS/GM–13 $47,920–62,293	53		53		53		0	
GS–12 $40,298–52,385	111		104		100		(4)	
GS–11 $33,623–43,712	120		114		103		(11)	
GS–09 $27,789–36,123	6		6		6		0	
GS–08 $25,159–32,710	4		4		4		0	
GS–07 $22,717–29,530	4		4		4		0	
GS–06 $20,443–26,572	12		12		12		0	
GS–05 $18,340–23,839	8		8		8		0	
Ungraded positions	9		9		9		0	
1995 pay increase	...	...	...	...	...	216	0	216
Locality Pay increase for 1994 and 1995	...	...	...	576	...	576	0	0
Total appropriated positions	333	$13,966	320	$12,058	305	11,857	(15)	(201)
Pay above stated annual rates	0	50	0	44	0	0	0	(44)
Lapses	(49)	(1,901)	(7)	(266)	(13)	(503)	(6)	(237)
Savings due to lower pay scales part of year	0	(150)	0	(144)	0	(54)		90
Net full–time permanent	284	11,965	313	11,692	292	11,300	(21)	(392)
Other than full–time permanent	2	44	1	59	1	57		(2)
Other Personnel Compensation	12	922	2	110	2	107		(3)
Total, workyears and personnel compensation	298	12,931	316	11,861	295	11,464	(21)	(397)
Average GS/GM Salary		$35,865		$35,865		$36,582		
Average GS/GM Grade		11.3		11.3		11.3		
Average Ungraded Salary		$37,275		$37,275		$38,304		

Summary of Requirements by Grade and Object Class (Con't)

Object Class	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Estimate Positions & Workyears	1994 Estimate Amount	1995 Request Positions & Workyears	1995 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
11 Personnel compensation:								
11.1 Full-time permanent	284	$11,965	313	$11,692	292	$11,300	(21)	($392)
11.3 Other than full-time permanent	2	44	1	59	1	57	0	(2)
11.5 Other personnel compensation	12	922	2	110	2	107	0	(3)
Total	298	12,931	316	11,861	295	11,464	(21)	(397)
12 Personnel benefits		3,919		4,559		4,427		(132)
21 Travel and transportation of persons		1,245		1,655		1,607		(48)
22 Transportation of things		382		223		217		(6)
23.2 Rental payments to others		57		125		130		5
23.3 Communications, utilities and misc. charges		37,652		39,420		40,996		1,576
24 Printing and reproduction		46		160		166		6
25 Other services		428,185		420,587		638,037		217,450
26 Supplies and materials		19,878		14,273		14,844		571
31 Equipment		16,382		22,690		23,597		907
32 Land and Structures		7,929		996		0		(996)
42 Insurance Claims and indemnities		0		1		0		(1)
43 Interest and Dividends		(37)		215		215		0
Total direct obligations		528,569		516,765		735,700		218,935
Unobligated Balance, start-of-year		(1,683,528)		(1,349,184)		(1,101,962)		
Unobligated Balance transferred		...		...		...		
Unobligated Balance, Rescinded		145,000						
Unobligated Balance, end-of-year		1,349,184		1,101,962		557,283		
Total Requirements		339,225		269,543		191,021		
Relation of obligations to outlays:								
Obligations incurred, net		528,569		516,765		735,700		
Obligated balance, start-of-year		429,637		508,796		421,344		
Obligated balance, end-of-year		(508,796)		(421,344)		(567,937)		
Outlays		449,411		604,217		589,107		

Department of Justice

Federal Prison System

Federal Prison Industries, Incorporated

Estimates for Fiscal Year 1995

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Federal Prison System
Federal Prison Industries, Incorporated
Summary Statement
Fiscal Year 1995

The Federal Prison System is requesting for Federal Prison Industries, Incorporated, in FY 1995 a total of 1,786 positions and 1,723 workyears. This request represents an increase of 160 positions and 85 workyears from the 1994 level.

Federal Prison Industries, Incorporated (UNICOR), was created by Congress in 1934 and is a wholly owned Government corporation which operates at no cost to the U.S. taxpayer. The Corporation is authorized to operate industries in Federal penal and correctional institutions and disciplinary barracks (18 U.S.C. 4121 4129). The Director of the Federal Prison System, who has jurisdiction over all Federal penal and correctional institutions, is the Chief Executive Officer. Federal Prison Industries reduces undesirable inmate idleness by providing a full-time work program for the inmate population (21 percent in 1993). More than 50 percent of the inmate population do not have marketable skills. FPI provides a program of constructive industrial work wherein job skills can be developed and work habits acquired. Earnings from the Corporation's industrial activities are used for all operating costs of the Corporation, including marketing expenses, inmate work areas, compensation to inmates performing in industrial work details, and compensation to former inmates for injuries they received while in Federal prisons.

A board of six Directors, appointed by the President, reviews and approves the policies of the Corporation, long-range Corporate plans, establishment of new industries, and Bylaws and capital investments in excess of $500,000. The Board also makes annual reports to Congress on the conduct of the business of the Corporation and the condition of its funds. General management of the Corporation is vested in a Chief Operating Officer and carried out by a staff of 32 Corporate Management employees located in Washington, D.C. Expenses of this function are subject to Congressional limitation.

An average of 16,947 inmates in 90 factories at 50 locations were employed in 1993, and inmate employment is expected to reach an average of 18,195 by 1995 reflecting the Bureau of Prisons' projected population growth. Inmates manufacture such items as furniture, clothing, electronic cable assemblies, metal and textile products. They also work in service industries such as furniture refinishing, data processing, vehicular component manufacturing, and laundries. All products and services of the Corporation are sold to Federal Agencies. The Department of Defense, the Postal Service, the Veterans Administration, and the General Services Administration are the largest customers. In 1995, an additional 882 inmate employees are anticipated as a result of the projected population increases. During FY 1995, 144 positions and 66 workyears are needed to support new activations and maintenance. This includes the activation of 6 factories at 5 locations employing 882 additional inmates, and the maintenance of operations at three factories activated in FY 1993, one at Allenwood, Pennsylvania and two at Florence, Colorado. In addition, 40 positions and workyears are needed to implement and maintain a nationwide automated system to be used for all accounting, purchasing, customer order control and production management functions.

The Corporation has minimized the staff needed for these FY 1995 requirements and will reduce current staffing by 24 positions and workyears through streamlining of Corporate and field level operations, and transfer of some Central Office operations to prison facilities to take advantage of inmate employment. The Corporation will meet its mission of employing and training inmates by enhancing marketing, product development, reallocating current staff production/quality control functions, and completing an automated management control system designed to provide necessary internal controls. Guidelines for new products and significant product expansion are incorporated into statute to further ensure that the Corporation's expansion does not unduly impact the private sector.

As the Federal Prison Industries implements the personnel increases reflected in this budget for FY 1994 and 1995, it will endeavor also to begin implementing the recommendations of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers of other staff by the year 1998.

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Proposed Changes to the Appropriation Language

The 1995 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Federal Prison Industries, Incorporated

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of (not to exceed five for replacement only) and hire of passenger motor vehicles.

(18 U.S.C. 4121-4129; Department of Justice and Related Agencies Appropriations Act, 1994).

Limitation on Administrative Expenses
Federal Prison Industries, Incorporated

Not to exceed [$3,395,000] A of the funds of the corporation shall be available for its administrative expenses, and for service as authorized by 5 U.S.C 3109, to be computed on an accrual basis to be determined in accordance with the corporation's A prescribed accounting system [in effect on July 1, 1946], and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

$3,463,000

current

(Department of Justice and Related Agencies Appropriations Act, 1994).

Explanation of Changes:

The language has been changed to reflect current accounting system requirements.

Federal Prison System
Federal Prison Industries, Incorporated
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Adjustments For Non-Ceiling Employees[1]			Reprogramming			1994 Appropriation		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Federal Prison Industries	1,626	1,623	$497,072	0	15	0	0	0	0	1,626	1,638	$497,072
Total.....	1,626	1,623	$497,072	0	15	0	0	0	0	1,626	1,638	$497,072

[1] An adjustments of 15 work years for non-ceiling employees was added to reflect Stay-In-School employment.

Federal Prison System
Federal Prison Industries, Incorporated

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work Years	Amount
Adjustments to base:			
1994 Appropriation	1,626	1,638	$497,072
Mandatory increases	0	3	563
Decreases (automatic, non-policy)	0	0	(14,195)
1995 Base	1,626	1,641	483,440

Estimates by budget activity	1993 as Available			1993 Actual			1994 Appropriation			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Administrative expenses	32	32	$3,181	32	32	$1,725	32	32	$3,395	32	32	$3,395	32	32	$3,463	...	...	$68
Subtotal, funds subject to Congressional limitation	32	32	3,181	32	32	1,725	32	32	3,395	32	32	3,395	32	32	3,463	...	...	68
2. Cost of production	1,603	1,450	390,199	1,603	1,450	336,481	1,594	1,606	414,622	1,594	1,609	424,614	1,754	1,691	460,266	160	82	35,652
3. Other expenses	...	...	32,259	...	...	37,060	...	...	38,833	..	...	38,833	...	...	38,368	...	...	(465)
4. Buildings and improvements	...	...	15,584	...	...	15,584	...	...	9,522	..	...	6,522	...	...	7,515	...	...	993
5. Machinery and equipment	...	...	1,976	...	...	1,976	...	...	30,700	..	...	10,076	...	...	12,076	...	...	2,000
Total	1,635	1,482	443,199	1,635	1,482	391,856	1,626	1,638	497,072	1,626	1,641	483,440	1,786	1,723	521,688	160	82	38,248
Other Workyears:																		
Other than permanent		15			6			9			9			9				
Other personnel compensation		...			39			52			52			52				
Total, Compensable Workyears		1,497			1,527			1,699			1,702			1,784				

LONG RANGE GOAL: Employ inmates; provide inmate opportunities for on-the-job training and apprenticeship programs to develop entry level skills and enable inmate to acquire on-the-job knowledge and proficiency, as well as discipline in the work ethic.

MAJOR OBJECTIVES:

Plan for the growth of FPI and provide inmates employment required for the safe and orderly management of the Bureau of Prisons.
Manage FPI financial affairs in an efficient and more productive fashion.

Provide on-the job training to an average 18,195 inmates in all industrial factories in 1995.
Provide pre-industrial training projects to enhance factory operations and provide increased training opportunities.

Achieve the installation of developmental programs which will assure FPI of a highly trained, qualified, and motivated staff.

Implement a management control system which is fully automated and conforms with the needs of the Corporation to maintain control of all interdependent divisions and geographic locations.

Develop and implement a program of materials management which will reduce the costs of FPI products and enable FPI to more effectively meet the price/delivery and quality requirements of its customers.

Develop non-traditional growth strategies in order to meet the challenges facing FPI in response to the Congressionally mandated Independent Market Study.

Ensure total customer satisfaction by being competitive in marketplace price, quality, and delivery standards.

Develop and implement strategies for communicating FPI's primary mission and goals to the public, private sector business community, government agencies, and elected officials.

BASE PROGRAM DESCRIPTION: Federal Prison Industries, Inc., is self-supporting. Revenues are derived from the sale of products and services to other Federal agencies. Operating expenses such as the costs of raw materials and supplies, inmate wages, staff salaries, and capital expenditures are applied against these revenues, resulting in operating income or loss, which is reapplied toward operating costs for future production.

Federal Prison Industries (FPI) reduces undesirable inmate idleness by providing a full-time work program for the inmate population (21 percent in 1993). More than 50 percent of the inmate population do not have marketable skills. FPI provides a program of constructive industrial work wherein job skills can be developed and work habits acquired.

Institution factories and shops are operated by UNICOR staff supervisors and managers, training and overseeing the work of inmates. The factories utilize raw materials and component parts purchased from the private sector to produce finished goods. These goods are shipped to Government customers, primarily the Department of Defense, the Postal Service, the Veterans Administration and the General Services Administration. Institution factories manufacture such items as furniture, clothing, electronics, metal and canvas products, and provide such services as data processing and furniture refinishing. Orders for goods and services are obtained through marketing and sales efforts by UNICOR staff. Prices are usually obtained in negotiation with customer agencies not to exceed current market prices. A portion of the earnings realized by these operations is reinvested to improve and build new facilities and purchase equipment, maintain state-of-the-art capability and provide working capital.

To operate modern factories and shops that produce products that must meet Government specifications requires extensive testing and product development procedures. Inmate training is also extensive because most of the inmates have had no previous training, experience or skills for assigned jobs. Much of the needed training occurs on-the-job, with UNICOR supervisors and experienced inmates explaining and demonstrating the work to newly assigned inmates. Where skills require more formal training, such as soldering, classroom instruction is provided by UNICOR staff.

As a manufacturing concern, the Corporation makes capital investments in building/improvements, machinery and equipment as necessary in the conduct of its industrial operations.

Other expenses charged to the industrial manufacturing program include inmate accident compensation.

An adjustment to the base of 15 workyears for stay-in-school positions was included at the request of the Department and OMB. This did not impact the position ceiling.

As a result of private sector concerns that the Corporation was becoming an undue burden of competition, Congress adopted guidelines for the production of new products and significant product expansion which are incorporated into statute. Before any significant production expansion or new products are manufactured, the guideline process is conducted with full knowledge of interested parties.

Accomplishments and Workload:

During 1993, an average of 15,432 inmates were employed at 50 institutions in 90 factories. The inmate employment represents nearly 20 percent of the total prison system population and 30.6 percent of the population eligible to work. Sales were $405 million with a net operating income of $10.6 million. Resources were provided for modernization of equipment (1993 - $2 million). Strategic planning continues to be the means of preparing for future growth of the Federal Prison System's projected future population.

Activity/statistic ($ 000)	1992	1993	1994	1995 Base Level	1995 Change	1995 Request
1. Inmate employment						
a. Number of Inmates Employed (Average)	15,432	16,947	17,313	17,313	882	18,195
b. Wages paid to inmates	$ 28,643	$ 28,625	$ 31,163	31,163	1,587	32,750
c. Accident Compensation to Inmates	$ 144	$ 174	$ 175	175	...	175

Explanation: Bureau of Prisons analysis of Federal prosecution trends plus enactment of the Comprehensive Crime Control Act of 1984 portend a continued upward trend in the inmate population. Anticipated increases are to address the requirement for increased inmate employment and training, and decreased idleness.

PROGRAM CHANGES:

In FY 1995 the Federal Prison System is requesting 1,786 positions and 1,723 workyears. This request represents an increase of 160 positions and 85 workyears from FY 1994. Of these, 40 positions and 40 workyears are requested to implement and maintain a nationwide automated system. These positions will be on-site at the various field locations and will maintain the Management Control System and accounting software at these locations. This will allow the automated administration and production system to capture much needed financial information not captured in the past and to provide local automated manufacturing and scheduling control information, such as, customer order entry and control, and other production management functions. The local system will also have all accounting and purchasing functions which will be connected into a national network. In addition, 144 positions and 66 workyears are being requested for the activation of 5 factories at 5 locations employing 882 inmates, and the maintenance of operations at three factories activated in FY 1993, one at Allenwood, Pennsylvania and two at Florence, Colorado. Finally, there is a decrease of 24 positions and workyears as part of a government-wide reduction to meet personnel levels established by the Administration. Of these, 7 positions and 7 workyears in the GS-14/15 grades were decreased as part of the Administration's initiative to reduce senior staff.

Federal Prison System
Federal Prison Industries, Inc.
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Authorized	1995 Program Increases	1995 Program Request
Attorneys (905)	2	2	...	2
Personnel Management (200–299)	4	4	...	4
Paralegal Specialists (950)	1	1	...	1
Other Legal and Kindred (900–998)	1	1	...	1
Correctional Institution Administration (006)	45	47	7	54
Correctional Officers (007)	4	4	...	4
General Admin., Clerical and Office Svcs. (300–399)	166	160	40	200
Accounting and Budget (500–599)	194	190	17	207
Engineering and Architecture Group (800–899)	6	7	...	7
Information and Arts Group (1000–1099)	8	8	...	8
Business and Industry Group (1100–1199)	214	210	...	210
Equipment, Facilities and Service Group (1600–1699)	115	114	...	114
Manufacturing Quality Control Group (1900–1999)	78	80	...	80
Supply Group (2000–2199)	7	10	...	10
Transportation (2100–2199)	10	7	...	7
Ungraded (culinary, farm, mechanical and construction)	780	781	96	877
Total	1,635	1,626	160	1,786
Washington	340	300	(20)	280
U.S. Field	1,295	1,326	180	1,506
Total	1,635	1,626	160	1,786

Federal Prison System
Federal Prison Industries, Incorporated

Financial Analysis – Program Changes
(Dollars in thousands)

Item	Pos.	Amount
Grades		
GS/GM–15	(2)	($140)
GS/GM–14	(5)	(300)
GS/GM–13	6	287
GS–12	50	2,015
GS–11	2	67
GS–9	13	361
Ungraded Positions	96	4,800
Wage Scale–Increase	...	1,638
Total positions and annual rate	160	8,728
Special personnel service payments	...	587
Government–wide FTE Reduction (–)	(24)	(1,284)
Lapse (–)	(54)	(3,023)
Total workyears and personnel compensation	82	5,008
Personnel benefits	...	518
Travel and transportation of persons and things	...	471
Comm., utilities, and misc charges	...	400
Other services	...	883
Supplies and materials	...	14,720
Equipment	...	9,923
Land and structures	...	6,325
Total program workyears and obligations changes requested, 1995	82	38,248

Federal Prison System
Federal Prison Industries, Industries
Summary of Change 1994 – 1995
(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
1994 Appropriation	1,626	1,638	$497,072
1995 Adjustments to Base:			
Increases:			
Mandatory Increases:			
Annualization of 1994 Positions	0	3	. . .
Accident Compensation	0	0	100
Unemployment Compensation	0	0	19
Acquisition Training	0	0	50
Employee Data and Payroll Services	0	0	13
General Pricing Level Adjustment	0	0	381
Total Mandatory Increases	0	3	563
Decreases:			
One Less Compensable Day	0	0	(407)
Nonrecurring Capital Expenditures	0	0	(13,788)
Total Decreases	0	0	(14,195)
1995 Base	1,626	1,641	483,440
1995 Program Changes			
Factory Activations			
Allenwood, PA (High, 9/93)	4	4	2,217
Florence, CO (High, 11/93)	6	6	3,325
Florence, CO (Adm/Max, 12/94)	2	2	1,108
Pekin, IL (Med, 12/94	20	20	11,085
Greenville, IL (Med, 12/94)	20	20	11,085
Butner, NC (Low, 4/95)	20	2	1,108
Beckley, WVA (Med, 4/95)	24	8	6,651
Coleman, FL (Low, 9/95)	24	2	1,108
Coleman, FL (Med, 9/95)	24	2	1,108
Systems Administration	40	40	1,761
Administrative Savings	0	0	(1,024)
Government-wide FTE Reduction	(24)	(24)	(1,284)
Total Program Changes	160	82	38,248
1995 Estimates	1,786	1,723	521,688

Federal Prison System
Federal Prison Industries, Inc.
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and Salary Ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Appropriation Positions & Workyears	1994 Appropriation Amount	1995 Request Positions & Workyears	1995 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-4, $109,408	2		2		2		...	
ES-2, $99,309	1		1		1		...	
ES-1, $94,680	1		1		1		...	
GS/GM-15, $66,609-$86,589	11		12		10		(2)	
GS/GM-14, $56,627-$73,619	55		54		49		(5)	
GS/GM-13, $47,920-$62,293	97		95		101		6	
GS-12, $40,298-$52,385	183		180		230		50	
GS-11, $33,623-$43,712	173		173		175		2	
GS-10, $30,603-$39,787	18		18		18		...	
GS-9, $27,790-$36,124	173		168		181		13	
GS-7, $22,717-$29,530	88		88		88		...	
GS-6, $20,442-$26,574	24		24		24		...	
GS-5, $18,340-$23,847	28		28		26		(2)	
GS-3, $14,603-$18,980	1		1		1		...	
Ungraded positions	780		781		879		98	
Total, authorized positions	1,635	$64,678	1,626	$66,856	1,786	$74,709	160	$7,853
Pay above stated annual rates	...	239	...	237	...	...	...	(237)
Lapses	(173)	(4,441)	(3)	(104)	(78)	(2,633)	(75)	(2,529)
Savings due to lower pay scales for part of year	...	(587)	...	...	...	(304)	...	(304)
Net full-time permanent	1,462	59,889	1,623	66,989	1,708	71,472	85	4,483
Other than permanent:								
Part-time permanent	1	25	1	37	1	37	...	...
Temporary employment	4	389	7	467	7	467	...	...
Other part-time and intermittent employment	1	18	16	445	16	445	...	...
Other personnel compensation:								
Overtime	38	2,379	50	3,304	50	3,304	...	...
Other compensation	1	121	2	121	2	121	...	...
Special personal services payments		28,625	...	31,163	...	32,750	...	1,587
Total, workyears and personnel compensation	1,507	91,446	1,699	102,546	1,784	108,616	85	6,070
Average ES Salary		$103,201		$103,201		$107,320		
Average GS/GM Salary		$32,704		$33,360		$34,700		
Average Ungraded Salaries		$36,177		$36,900		$38,376		
Average GS/GM Grade		10.5		10.5		10.58		

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Federal Prison System
Federal Prison Industries, Inc.
Summary of Requirement by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Appropriation		1995 Estimate		Increases/ Decrease	
	Work-Years	Amount	Work-Years	Amount	Work-Years	Amount	Work-Years	Amount
11.1 Full-time permanent	1,462	$59,889	1,623	$66,989	1,708	$71,472	85	$4,483
11.3 Other than permanent	6	432	24	582	24	582	...	...
11.5 Other personnel compensation	39	2,500	52	3,425	52	3,425	...	...
11.8 Special service pay	...	28,625		31,163		32,750	...	1,587
Total	1,507	91,446	1,699	102,159	1,784	108,229	85	6,070
12 Personnel benefits		21,516		20,324		20,842		518
21 Travel and transportation of persons		1,972		3,731		3,936		205
22 Transportation of things		5,657		4,834		5,100		266
23.2 Rental payments to others		2,995		3,747		3,953		206
23.3 Communications, utilities and miscellaneous charges		5,578		7,271		7,671		400
24 Printing and reproduction		1,397		1,405		1,483		78
25 Other services		14,660		14,194		14,975		781
26 Supplies and materials		227,350		248,456		239,507		(8,949)
31 Equipment		1,976		5,600		12,076		6,476
32 Land and structures		15,584		11,531		7,515		(4,016)
43 Interest and dividends		0		1,250		1,250		0
93 Administrative expenses		1,725		3,395		3,463		68
Total direct obligations		391,856		427,697		430,000		2,103
Unobligated Balance, start-of-year		(251,329)		(302,672)		(371,847)		
Unobligated Balance, end-of-year		302,672		371,847		463,535		
Total Requirements		443,199		497,072		521,688		
Relation of obligations to outlays:								
Total Obligations incurred		391,856		427,897		430,000		
Less:								
Receipts		443,199		497,072		521,688		
Obligations incurred, net		(51,343)		(69,175)		(91,688)		
Receivables in excess of obligations, start-of-year		(193,201)		(223,876)		(293,051)		
Receivables in excess of obligations, end-of-year		223,876		293,051		384,739		
Outlays		(20,718)		...		...		

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Department of Justice

Federal Prison System

Federal Prison Industries, Incorporated

Estimates for Fiscal Year 1995

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Federal Prison System
Federal Prison Industries, Incorporated
Summary Statement
Fiscal Year 1995

The Federal Prison System is requesting for Federal Prison Industries, Incorporated, in FY 1995 a total of 1,786 positions and 1,723 workyears. This request represents an increase of 160 positions and 85 workyears from the 1994 level.

Federal Prison Industries, Incorporated (UNICOR), was created by Congress in 1934 and is a wholly owned Government corporation which operates at no cost to the U.S. taxpayer. The Corporation is authorized to operate industries in Federal penal and correctional institutions and disciplinary barracks (18 U.S.C. 4121-4129). The Director of the Federal Prison System, who has jurisdiction over all Federal penal and correctional institutions, is the Chief Executive Officer. Federal Prison Industries reduces undesirable inmate idleness by providing a full-time work program for the inmate population (21 percent in 1993). More than 50 percent of the inmate population do not have marketable skills. FPI provides a program of constructive industrial work wherein job skills can be developed and work habits acquired. Earnings from the Corporation's industrial activities are used for all operating costs of the Corporation, including marketing expenses, inmate work areas, compensation to inmates performing in industrial work details, and compensation to former inmates for injuries they received while in Federal prisons.

A board of six Directors, appointed by the President, reviews and approves the policies of the Corporation, long-range Corporate plans, establishment of new industries, and Bylaws and capital investments in excess of $500,000. The Board also makes annual reports to Congress on the conduct of the business of the Corporation and the condition of its funds. General management of the Corporation is vested in a Chief Operating Officer and carried out by a staff of 32 Corporate Management employees located in Washington, D.C. Expenses of this function are subject to Congressional limitation.

An average of 16,947 inmates in 90 factories at 50 locations were employed in 1993, and inmate employment is expected to reach an average of 18,195 by 1995 reflecting the Bureau of Prisons' projected population growth. Inmates manufacture such items as furniture, clothing, electronic cable assemblies, metal and textile products. They also work in service industries such as furniture refinishing, data processing, vehicular component manufacturing, and laundries. All products and services of the Corporation are sold to Federal Agencies. The Department of Defense, the Postal Service, the Veterans Administration, and the General Services Administration are the largest customers. In 1995, an additional 882 inmate employees are anticipated as a result of the projected population increases. During FY 1995, 144 positions and 66 workyears are needed to support new activations and maintenance. This includes the activation of 6 factories at 5 locations employing 882 additional inmates, and the maintenance of operations at three factories activated in FY 1993, one at Allenwood, Pennsylvania and two at Florence, Colorado. In addition, 40 positions and workyears are needed to implement and maintain a nationwide automated system to be used for all accounting, purchasing, customer order control and production management functions.

The Corporation has minimized the staff needed for these FY 1995 requirements and will reduce current staffing by 24 positions and workyears through streamlining of Corporate and field level operations, and transfer of some Central Office operations to prison facilities to take advantage of inmate employment. The Corporation will meet its mission of employing and training inmates by enhancing marketing, product development, reallocating current staff production/quality control functions, and completing an automated management control system designed to provide necessary internal controls. Guidelines for new products and significant product expansion are incorporated into statute to further ensure that the Corporation's expansion does not unduly impact the private sector.

As the Federal Prison Industries implements the personnel increases reflected in this budget for FY 1994 and 1995, it will endeavor also to begin implementing the recommendations of the National Performance Review to reduce, by half, the percentage of its employees that are supervisors or managers of other staff by the year 1998.

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Proposed Changes to the Appropriation Language

The 1995 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Federal Prison Industries, Incorporated

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of (not to exceed five for replacement only) and hire of passenger motor vehicles.

(18 U.S.C. 4121-4129; Department of Justice and Related Agencies Appropriations Act, 1994).

Limitation on Administrative Expenses
Federal Prison Industries, Incorporated

Not to exceed [$3,395,000] A of the funds of the corporation shall be available for its administrative expenses, and for service as authorized by 5 U.S.C 3109, to be computed on an accrual basis to be determined in accordance with the corporation's A prescribed accounting system (in effect on July 1, 1946), and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest. $3,463,000 current

(Department of Justice and Related Agencies Appropriations Act, 1994).

Explanation of Changes:

The language has been changed to reflect current accounting system requirements.

Federal Prison System
Federal Prison Industries, Incorporated
Crosswalk of 1994 Changes
(Dollars in thousands)

Activity/Program	1994 President's Budget Request			Adjustments For Non-Ceiling Employees[1]			Reprogramming			1994 Appropriation		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Federal Prison Industries	1,626	1,623	$497,072	0	15	0	0	0	0	1,626	1,638	$497,072
Total.....	1,626	1,623	$497,072	0	15	0	0	0	0	1,626	1,638	$497,072

[1] An adjustments of 15 work years for non-ceiling employees was added to reflect Stay-In-School employment.

Federal Prison System
Federal Prison Industries, Incorporated

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work Years	Amount
1994 Appropriation	1,626	1,638	$497,072
Mandatory increases	0	3	583
Decreases (automatic, non-policy)	0	0	(14,195)
1995 Base	1,626	1,641	483,440

Estimates by budget activity	1993 as Available			1993 Actual			1994 Appropriation			1995 Base			1995 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Administrative expenses	32	32	$3,181	32	32	$1,725	32	32	$3,395	32	32	$3,395	32	32	$3,463	...	...	$68
Subtotal, funds subject to Congressional limitation	32	32	3,181	32	32	1,725	32	32	3,395	32	32	3,395	32	32	3,463	..	...	68
2. Cost of production	1,603	1,450	390,199	1,603	1,450	335,481	1,594	1,606	414,622	1,594	1,609	424,614	1,754	1,691	480,266	160	82	35,652
3. Other expenses	...	...	32,259	...	...	37,090	...	...	38,833	..	..	38,833	...	...	38,368	...	...	(465)
4. Buildings and improvements	...	...	15,584	...	...	15,584	...	...	9,522	..	..	8,522	...	...	7,515	...	...	993
5. Machinery and equipment	...	...	1,976	...	...	1,976	...	...	30,700	..	...	10,076	...	...	12,076	...	...	2,000
Total	1,635	1,482	443,199	1,635	1,482	391,856	1,626	1,638	497,072	1,626	1,641	483,440	1,786	1,723	521,688	160	82	38,248
Other Workyears:																		
Other than permanent		15			6			9			9			9				
Other personnel compensation		..			39			52			52			52				
Total, Compensable Workyears		1,497			1,527			1,699			1,702			1,784				

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Justification of Program and Performance
Federal Prison System
Federal Prison Industries, Incorporated
Fiscal Year 1995
(Dollars in thousands)

LONG RANGE GOAL: Employ inmates; provide inmate opportunities for on-the-job training and apprenticeship programs to develop entry level skills and enable inmate to acquire on-the-job knowledge and proficiency, as well as discipline in the work ethic.

MAJOR OBJECTIVES:

Plan for the growth of FPI and provide inmates employment required for the safe and orderly management of the Bureau of Prisons.
Manage FPI financial affairs in an efficient and more productive fashion.

Provide on-the job training to an average 18,195 inmates in all industrial factories in 1995.
Provide pre-industrial training projects to enhance factory operations and provide increased training opportunities.

Achieve the installation of developmental programs which will assure FPI of a highly trained, qualified, and motivated staff.

Implement a management control system which is fully automated and conforms with the needs of the Corporation to maintain control of all interdependent divisions and geographic locations.

Develop and implement a program of materials management which will reduce the costs of FPI products and enable FPI to more effectively meet the price/delivery and quality requirements of its customers.

Develop non-traditional growth strategies in order to meet the challenges facing FPI in response to the Congressionally mandated Independent Market Study.

Ensure total customer satisfaction by being competitive in marketplace price, quality, and delivery standards.

Develop and implement strategies for communicating FPI's primary mission and goals to the public, private sector business community, government agencies, and elected officials.

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To operate modern factories and shops that produce products that must meet Government specifications requires extensive testing and product development procedures. Inmate training is also extensive because most of the inmates have had no previous training, experience or skills for assigned jobs. Much of the needed training occurs on-the-job, with UNICOR supervisors and experienced inmates explaining and demonstrating the work to newly assigned inmates. Where skills require more formal training, such as soldering, classroom instruction is provided by UNICOR staff.

As a manufacturing concern, the Corporation makes capital investments in building/improvements, machinery and equipment as necessary in the conduct of its industrial operations.

Other expenses charged to the industrial manufacturing program include inmate accident compensation.

An adjustment to the base of 15 workyears for stay-in-school positions was included at the request of the Department and OMB. This did not impact the position ceiling.

As a result of private sector concerns that the Corporation was becoming an undue burden of competition, Congress adopted guidelines for the production of new products and significant product expansion which are incorporated into statute. Before any significant production expansion or new products are manufactured, the guideline process is conducted with full knowledge of interested parties.

Accomplishments and Workload:

During 1993, an average of 15,432 inmates were employed at 50 institutions in 90 factories. The inmate employment represents nearly 20 percent of the total prison system population and 30.6 percent of the population eligible to work. Sales were $405 million with a net operating income of $10.6 million. Resources were provided for modernization of equipment (1993 - $2 million). Strategic planning continues to be the means of preparing for future growth of the Federal Prison System's projected future population.

	Activity/statistic ($ 000)	1992	1993	1994	1995 Base Level	Change	Request
1.	Inmate employment						
	a. Number of Inmates Employed (Average)	15,432	16,947	17,313	17,313	882	18,195
	b. Wages paid to inmates	$ 28,643	$ 28,625	$ 31,163	31,163	1,587	32,750
	c. Accident Compensation to Inmates	$ 144	$ 174	$ 175	175	...	175

Explanation: Bureau of Prisons analysis of Federal prosecution trends plus enactment of the Comprehensive Crime Control Act of 1984 portend a continued upward trend in the inmate population. Anticipated increases are to address the requirement for increased inmate employment and training, and decreased idleness.

PROGRAM CHANGES:

In FY 1995 the Federal Prison System is requesting 1,786 positions and 1,723 workyears. This request represents an increase of 160 positions and 85 workyears from FY 1994. Of these, 40 positions and 40 workyears are requested to implement and maintain a nationwide automated system. These positions will be on-site at the various field locations and will maintain the Management Control System and accounting software at these locations. This will allow the automated administration and production system to capture much needed financial information not captured in the past and to provide local automated manufacturing and scheduling control information, such as, customer order entry and control, and other production management functions. The local system will also have all accounting and purchasing functions which will be connected into a national network. In addition, 144 positions and 66 workyears are being requested for the activation of 5 factories at 5 locations employing 882 inmates, and the maintenance of operations at three factories activated in FY 1993, one at Allenwood, Pennsylvania and two at Florence, Colorado. Finally, there is a decrease of 24 positions and workyears as part of a government-wide reduction to meet personnel levels established by the Administration. Of these, 7 positions and 7 workyears in the GS-14/15 grades were decreased as part of the Administration's initiative to reduce senior staff.

Federal Prison System
Federal Prison Industries, Incorporated

Financial Analysis – Program Changes
(Dollars in thousands)

Item	Pos.	Amount
Grades		
GS/GM–15	(2)	($140)
GS/GM–14	(5)	(300)
GS/GM–13	6	287
GS–12	50	2,015
GS–11	2	67
GS–9	13	361
Ungraded Positions	96	4,800
Wage Scale–Increase	...	1,638
Total positions and annual rate	160	8,728
Special personnel service payments	...	587
Government–wide FTE Reduction (–)	(24)	(1,284)
Lapse (–)	(54)	(3,023)
Total workyears and personnel compensation	82	5,008
Personnel benefits	...	518
Travel and transportation of persons and things	...	471
Comm., utilities, and misc charges	...	400
Other services	...	883
Supplies and materials	...	14,720
Equipment	...	9,923
Land and structures	...	6,325
Total program workyears and obligations changes requested, 1995	82	38,248

Federal Prison System
Federal Prison Industries, Inc.
Detail of Permanent Positions by Category
Fiscal Years 1993 – 1995

Category	1993 Authorized	1994 Authorized	1995 Program Increases	1995 Program Request
Attorneys (905)	2	2	...	2
Personnel Management (200–299)	4	4	...	4
Paralegal Specialists (950)	1	1	...	1
Other Legal and Kindred (900–998)	1	1	...	1
Correctional Institution Administration (006)	45	47	7	54
Correctional Officers (007)	4	4	...	4
General Admin., Clerical and Office Svcs. (300–399)	166	160	40	200
Accounting and Budget (500–599)	194	190	17	207
Engineering and Architecture Group (800–899)	6	7	...	7
Information and Arts Group (1000–1099)	8	8	...	8
Business and Industry Group (1100–1199)	214	210	...	210
Equipment, Facilities and Service Group (1600–1699)	115	114	...	114
Manufacturing Quality Control Group (1900–1999)	78	80	...	80
Supply Group (2000–2199)	7	10	...	10
Transportation (2100–2199)	10	7	...	7
Ungraded (culinary, farm, mechanical and construction)	780	781	96	877
Total	1,635	1,626	160	1,786
Washington	340	300	(20)	280
U.S. Field	1,295	1,326	180	1,506
Total	1,635	1,626	160	1,786

Federal Prison System
Federal Prison Industries, Industries
Summary of Change 1994 – 1995
(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
1994 Appropriation	1,626	1,638	$497,072
1995 Adjustments to Base			
Increases			
Mandatory Increases:			
Annualization of 1994 Positions	0	3	...
Accident Compensation	0	0	100
Unemployment Compensation	0	0	19
Acquisition Training	0	0	50
Employee Data and Payroll Services	0	0	13
General Pricing Level Adjustment	0	0	381
Total Mandatory Increases	0	3	563
Decreases			
One Less Compensable Day	0	0	(407)
Nonrecurring Capital Expenditures	0	0	(13,788)
Total Decreases	0	0	(14,195)
1995 Base	1,626	1,641	483,440
1995 Program Changes			
Factory Activations			
Allenwood, PA (High, 9/93)	4	4	2,217
Florence, CO (High, 11/93)	6	6	3,325
Florence, CO (Adm/Max, 12/94)	2	2	1,108
Pekin, IL (Med, 12/94	20	20	11,085
Greenville, IL (Med, 12/94)	20	20	11,085
Butner, NC (Low, 4/95)	20	2	1,108
Beckley, WVA (Med, 4/95)	24	8	6,651
Coleman, FL (Low, 9/95)	24	2	1,108
Coleman, FL (Med, 9/95)	24	2	1,108
Systems Administration	40	40	1,761
Administrative Savings	0	0	(1,024)
Government-wide FTE Reduction	(24)	(24)	(1,284)
Total Program Changes	160	82	38,248
1995 Estimates	1,786	1,723	521,688

Federal Prison System
Federal Prison Industries, Inc.
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and Salary Ranges	1993 Actual Positions & Workyears	1993 Actual Amount	1994 Appropriation Positions & Workyears	1994 Appropriation Amount	1995 Request Positions & Workyears	1995 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-4, $109,408	2		2		2		...	
ES-2, $99,309	1		1		1		...	
ES-1, $94,680	1		1		1		...	
GS/GM-15, $66,609-$86,589	11		12		10		(2)	
GS/GM-14, $56,627-$73,619	55		54		49		(5)	
GS/GM-13, $47,920-$62,293	97		95		101		6	
GS-12, $40,298-$52,385	183		180		230		50	
GS-11, $33,623-$43,712	173		173		175		2	
GS-10, $30,603-$39,787	18		18		18		...	
GS-9, $27,790-$36,124	173		168		181		13	
GS-7, $22,717-$29,530	88		88		88		...	
GS-6, $20,442-$26,574	24		24		24		...	
GS-5, $18,340-$23,847	28		28		26		(2)	
GS-3, $14,603-$18,980	1		1		1		...	
Ungraded positions	780		781		879		98	
Total, authorized positions	1,635	$64,678	1,626	$66,856	1,786	$74,709	160	$7,853
Pay above stated annual rates	...	239	...	237	...	...	...	(237)
Lapses	(173)	(4,441)	(3)	(104)	(78)	(2,933)	(75)	(2,829)
Savings due to lower pay scales for part of year	...	(587)	...	...	...	(304)	...	(304)
Net full-time permanent	1,462	59,889	1,623	66,989	1,708	71,472	85	4,483
Other than permanent:								
Part-time permanent	1	25	1	37	1	37	...	...
Temporary employment	4	389	7	487	7	487	...	...
Other part-time and intermittent employment	1	18	16	445	16	445	...	...
Other personnel compensation:								
Overtime	38	2,379	50	3,304	50	3,304	...	...
Other compensation	1	121	2	121	2	121	...	...
Special personal services payments		28,625	...	31,163	...	32,750	...	1,587
Total, workyears and personnel compensation	1,507	91,446	1,699	102,546	1,784	108,616	85	6,070
Average ES Salary		$103,201		$103,201		$107,320		
Average GS/GM Salary		$32,704		$33,360		$34,700		
Average Ungraded Salaries		$36,177		$36,900		$38,376		
Average GS/GM Grade		10.5		10.5		10.58		

Federal Prison System
Federal Prison Industries, Inc.
Summary of Requirement by Grade and Object Class
(Dollars in thousands)

Object Class	1993 Actual		1994 Appropriation		1995 Estimate		Increases/ Decrease	
	Work-Years	Amount	Work-Years	Amount	Work-Years	Amount	Work-Years	Amount
11.1 Full-time permanent	1,462	$59,889	1,623	$66,989	1,708	$71,472	85	$4,483
11.3 Other than permanent	6	432	24	582	24	582	...	...
11.5 Other personnel compensation	39	2,500	52	3,425	52	3,425	...	...
11.8 Special service pay	...	28,625		31,163		32,750	...	1,587
Total	1,507	91,446	1,699	102,159	1,784	108,229	85	6,070
12 Personnel benefits		21,516		20,324		20,842		518
21 Travel and transportation of persons		1,972		3,731		3,936		205
22 Transportation of things		5,657		4,834		5,100		266
23.2 Rental payments to others		2,995		3,747		3,953		206
23.3 Communications, utilities and miscellaneous charges		5,578		7,271		7,671		400
24 Printing and reproduction		1,397		1,405		1,483		78
25 Other services		14,660		14,194		14,975		781
26 Supplies and materials		227,350		248,456		239,507		(8,949)
31 Equipment		1,976		5,600		12,076		6,476
32 Land and structures		15,584		11,531		7,515		(4,016)
43 Interest and dividends		0		1,250		1,250		0
93 Administrative expenses		1,725		3,395		3,463		68
Total direct obligations		391,856		427,897		430,000		2,103
Unobligated Balance, start-of-year		(251,329)		(302,672)		(371,847)		
Unobligated Balance, end-of-year		302,672		371,847		463,535		
Total Requirements		443,199		497,072		521,688		
Relation of obligations to outlays:								
Total Obligations incurred		391,856		427,897		430,000		
Less:								
Receipts		443,199		497,072		521,688		
Obligations incurred, net		(51,343)		(69,175)		(91,688)		
Receivables in excess of obligations, start-of-year		(193,251)		(223,876)		(293,051)		
Receivables in excess of obligations, end-of-year		223,876		293,051		384,739		
Outlays		(20,718)		...		...		

Mr. MOLLOHAN. We are very pleased to welcome back the Director of the Federal Prison System, Kathleen M. Hawk.

Ms. Hawk, we welcome you back.

Ms. HAWK. Thank you.

Mr. MOLLOHAN. After a year, I guess, and we appreciate your good efforts during the year.

As you know, your written statement will be made a part of the record.

Ms. HAWK. Yes, sir.

Mr. MOLLOHAN. And after introducing the other person at the witness table, if you would proceed with your oral statement.

We welcome you.

SUMMARY STATEMENT

Ms. HAWK. Thank you, Mr. Chairman.

I am very pleased to appear before you today, and I would like to introduce Wade Houk, our Assistant Director for Administration, who is responsible for Budget and Facilities.

I would like to begin by expressing my appreciation to this committee for the continued support that we have received from Congress, particularly from the subcommittee. Recognizing the significant growth in the inmate population, Congress has provided necessary funding to allow the Bureau of Prisons to fulfill its responsibilities within the Federal Criminal Justice System.

As you noted, Mr. Chairman, our fiscal year 1995 request for all Bureau of Prisons appropriations totals $2.6 billion and 31,583 positions, which represents a net increase of $378 million and 3,270 positions over our 1994 appropriation.

The biggest challenge facing the Bureau of Prisons over the next several years is the constant growth in our inmate population. Our population is currently growing by more than 700 inmates per month, and during fiscal year 1995, we project our population will rise to nearly 107,000 inmates.

Our budget request therefore focuses on activating facilities previously funded by Congress, and providing additional capacity to keep pace with population growth and reducing our overcrowding.

For fiscal year 1995, we are requesting additional funding to support a projected growth in the average daily population of 8,445 inmates, or 10 percent. These resources will fund increases in food, medical care, clothing, inmate transportation, security and other costs associated with population growth.

The increase in the inmate population over the past decade, and as projected into the future, is attributable to four factors: criminal justice initiatives, the surge in the number of drug offenders, an increased role in housing pretrial defendants, and an even greater number of noncitizen inmates.

In addition to our prison facilities, the Bureau of Prisons operates a system of community-based correctional programs designed to meet a variety of needs of offenders, and to provide a range of sentencing options for the courts. These include: traditional halfway houses; urban work camps; home confinement, which sometimes includes electronic monitoring; and intensive confinement programs more popularly known as "boot camps."

Our request has one major theme and that is capacity expansion. We need to keep pace with the projected population growth and reduce the rate of overcrowding in our current institutions.

In 1995, we are requesting $101 million and 3,135 positions to activate nearly 9,700 new beds at nine new facilities, which include two military base conversions.

The fiscal year 1995 new construction request is for $74 million, which includes start-up funding for a new prison in California and the last of four prisons in the Beaumont, Texas, complex, and full construction for funding is requested for one new facility in Pollock, Louisiana.

We are also requesting $8.6 million for the first of 20 annual lease payments for the detention facility, which will serve as a transfer center and add 1,000 detention beds.

For 1995, the National Institute of Corrections is requesting $10.1 million, which is a decrease of $67,000 below the fiscal year 1994 appropriation. NIC serves a unique role as the only Federal Agency that provides specialized services to corrections from a national perspective.

The State Directors of Corrections, with whom I interact frequently, view NIC as the single-most important Department of Justice program which provides assistance to them.

In summary, our budget request emphasizes the critical need to increase the capacity of the Federal Prison System, yet also reflects the very limited fiscal environment in which we all must operate.

I would like to thank you, Mr. Chairman, and the Members of the Subcommittee for your continued support. This concludes my prepared remarks. I would be very happy to answer any questions.

[The prepared statement of director Hawk follows:]

DEPARTMENT OF JUSTICE

STATEMENT OF THE DIRECTOR, FEDERAL BUREAU OF PRISONS

KATHLEEN M. HAWK

BEFORE THE HOUSE SUBCOMMITTEE ON APPROPRIATIONS

FOR THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,

THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to discuss the Fiscal Year 1995 budget request for the Federal Bureau of Prisons (BOP). Let me begin by expressing my appreciation for the continued support we have received in the past from the Congress, particularly this Subcommittee. Recognizing the significant growth in the inmate population, Congress has provided necessary funding to allow BOP to fulfill its responsibilities within the Federal criminal justice system.

Our Fiscal Year 1995 request totals $2,608,117,000 and 31,583 positions, a net increase of $378,363,000, (17 percent), and 3,270 positions over our 1994 appropriation. Of the total request, $2,406,952,000 and 28,950 positions are requested for our Salaries and Expenses appropriation; $191,021,000 and 305 positions for Buildings and Facilities; and $10,144,000 and 51 positions, for the National Institute of Corrections.

Inmate Population Growth

The biggest challenge facing BOP over the next several years is constant growth in the inmate population. As of March 31, 1994, our total population was over 92,000, of which over 8,000 inmates were in contract facilities, principally community corrections facilities. The balance of 84,000 were confined in BOP institutions. During Fiscal Year 1995, we project our institution population will rise to nearly 97,000. Since BOP is at the end of the criminal justice pipeline, we have little control over the growth of the inmate population, and must accept all inmates assigned to our care. Thus, our budget focuses on activating facilities previously funded by Congress and providing additional capacity to keep pace with population growth and reduce overcrowding.

For Fiscal Year 1995, we are requesting an increase of $28,366,000 to support a projected growth in the average daily population of over 10 percent, or 8,445 inmates. These additional resources will fund increases in food, medical care, clothing, inmate transportation, security, and other costs associated with the additional inmate population.

The increase in the inmate population over the past decade and as projected into the future is attributable to four factors: (1) criminal justice initiatives; (2) surge in the number of drug

offenders; (3) increased role in housing pre-trial detainees; and (4) ever greater number of non-citizen inmates.

During the past decade, there has been a substantial increase in Federal law enforcement, prosecutorial and adjudication activity. Time served in prison has also increased significantly, especially for drug, violent crime, and weapons offenses. These increases are a result of both legislative and policy initiatives. The combined effect of sentencing guidelines, substantially reduced "good time" allowances, and mandatory minimum sentences have dramatically increased the amount of time inmates must serve in prison. In earlier years, the largest part of our population growth was attributable to increased arrests and convictions. Now, however, a large portion of our current and future population growth results from inmates serving longer sentences.

BOP forecasts inmate population growth and formulates resource requirements, including this budget request, based on current laws and criminal justice initiatives. Any changes in these initiatives may have significant impact on our inmate population and resource needs. Thus, while we have reviewed and provided comments on various bills introduced in the first session of the 103rd Congress, we have not incorporated their impact into this budget request. While we can generally project the correctional impacts associated with some of the proposed

bills, others, such as expansions of Federal criminal jurisdiction, are very sensitive to prosecutorial policies, priorities and guidelines.

The rise in the number of drug convictions during the 1980's reflects the additional resources devoted to Federal drug prosecutions. Since 1981, both the number of drug offense convictions and the actual average time served for these offenses have more than tripled. The combination of these two factors accounts for over three-fourths of our recent prison growth. At the end of Fiscal Year 1993, 61 percent of BOP's inmates were incarcerated for drug related offenses. BOP projects that nearly 70 percent of its population will consist of drug offenders by 1997.

Criminal aliens represent approximately 25 percent of the Bureau's inmate population and are an important factor in its rapid growth. Over 75 percent of these offenders have been sentenced for drug law violations. The majority of these inmates come from Mexico, Colombia and Cuba. Increasing numbers of foreign nationals in BOP custody, coupled with the difficulty of managing some of these offenders, is placing a serious strain on our limited resources.

BOP has been cooperating with the Executive Office for Immigration Review (EOIR) and Immigration and Naturalization Service (INS) to establish Institution Hearing Programs (IHPs) at various BOP facilities. These programs are designed to facilitate the completion of deportation proceedings prior to the inmate's release date, to allow for expeditious deportation at the end of his or her sentence. If it is determined that the inmate is not to be deported, there is then sufficient time for meaningful release planning. Since the IHP's inception in 1988, EOIR has completed more than 6,300 immigration hearings for inmates in BOP custody.

I want to note that while our primary mission is the incarceration of sentenced offenders, over the past several years BOP has steadily increased its assistance to the U.S. Marshals Service (USMS) in housing Federal detainees. Due to the lack of sufficient Federal pre-trial detention bedspace in State and local facilities, the Federal detainee population has grown from 1,200 in 1981 to a projection of approximately 7,000 by the end of 1994, an increase of nearly 500 percent.

Alternatives to Incarceration

In addition to its prison facilities, BOP operates a system of community based correctional programs designed to meet a variety of needs of offenders and to provide a range of sentencing options for the Courts. We currently provide programs

such as traditional half-way houses, urban work camps, and home confinement which in some instances include the use of electronic monitoring. Another program which we have found useful is our Intensive Confinement Center program, more popularly known as "boot camps".

During 1993, approximately 18,000 offenders participated in these alternative programs with an average daily population of approximately 5,000. With the reduced use of probation as a sentence, alternatives to incarceration have become more important. We recently revised our Community Corrections Center (CCC) referral policy to give greater recognition to the transition needs of offenders serving increasingly longer sentences. This revision will increase the average daily population in CCCs, while still maintaining public safety as a paramount consideration.

For 1995, we are requesting an increase of $15,591,000 for community corrections and detention. This includes $12,379,000 for a 14 percent increase in the CCC population. In addition, $621,000 is requested for an increase in State and local contract bedspace, and will include funding for six positions to perform technical support functions (sentence computation, operational review, etc.) for the joint BOP/INS contract facility in Eloy, Arizona, to be activated in the latter part of Fiscal Year 1994.

Finally, the Cuban-Haitian Entrant Program (CHEP) is being transferred from the Community Relations Service to BOP, which will consolidate several Cuban related programs within the BOP. To maintain the current service level for the processing and care of Cuban entrants, an increase of $2,591,000 is requested.

Capacity Expansion

BOP's budget request has one major theme: Capacity Expansion. As in the past, the additional capacity requested in this budget addresses two priorities: keeping pace with the projected population growth and reducing the rate of overcrowding in our current institutions.

Within the past two years BOP's policy has been revised to provide for 100 percent double-bunking in minimum and low security institutions, 50 percent double-bunking in medium security institutions and 25 percent double-bunking in high security institutions and detention facilities. The effect of this policy has been to add over 9,000 beds to our current capacity at virtually no cost. By 1997, this will have grown to over 25,000 beds. Had BOP not implemented this policy, the future construction cost alone of these additional beds would have exceeded $1 billion. It is important to remember, however, that this policy change did not reduce the numbers of inmates who live in crowded conditions, nor has it made our institutions any easier to manage.

Activating Additional Capacity

Since 1989, Congress has appropriated substantial resources to add capacity to the Federal Prison System. Funding provided for new construction, conversion of surplus facilities and expansion of existing facilities will eventually add over 41,000 beds by the end of FY 1998. The activation of approximately 36,000 of these beds is scheduled to occur between 1995 and 1998. This request represents the first time in three fiscal years that activation of additional capacity will exceed projected population growth, enabling further progress in reducing high levels of overcrowding.

In 1995, we are requesting $101,176,000 and 3,135 positions to activate 9,673 beds at five new Federal prisons and three expansion projects at existing institutions. With this budget, we will be activating new prisons in Beckley, West Virginia, Butner, North Carolina and a new three prison complex in Coleman, Florida. Funding is also requested to activate a low security institution in Waseca, Minnesota, which will be a cost effective conversion of a former university campus. The activation of the Oklahoma City, Oklahoma Federal Transfer Center will provide additional detention beds. We also propose to activate two medical care units at Fort Devens, Massachusetts and Carswell Air Force Base, Texas, where BOP has successfully initiated the conversion of military base closure properties to correctional use.

Capital Investments in Additional Capacity

As noted earlier, the inmate population continues to grow and we must seek funds for new construction projects. The Fiscal Year 1995 request includes an increase of $74,000,000 for this purpose. The request provides start-up funding for the site, planning and design of a new prison in California and the last prison of a group of four at the Beaumont, Texas complex. Also, full construction funding is requested for a new prison in Pollock, Louisiana. In total, these facilities will add 4,224 beds to sentenced offender capacity.

BOP is also requesting $8,655,000 for the first of 20 annual lease payments for the detention facility at the Oklahoma City Airport. This facility will serve as a transfer center which will add 1,043 detention beds and is our first leased institution in many years.

Maintaining Existing Facilities

Many of our existing institutions are old and require continual maintenance. Moreover, prison facilities are subjected to heavier than normal use, especially during periods of high overcrowding. For Fiscal Year 1995, a modest increase of $3,153,000 is requested to fund four projects. These funds will provide for hazardous waste removal and life safety repairs at four institutions in Big Spring, Texas; Marianna, Florida; Seagoville, Texas; and Tallahassee, Florida.

National Institute of Corrections

For 1995, the National Institute of Corrections (NIC) is requesting $10,144,000. This request represents a decrease of $67,000 below the Fiscal Year 1994 Appropriation enacted.

NIC serves a unique Federal role as the only national agency with a legislative mandate to provide specialized services to corrections from a national perspective. NIC is recognized by other Federal agencies for its unique role and quality services. Based on my experience with State Directors of Corrections, their predominant view is that NIC is the single most important Department program which provides assistance to them. In Fiscal Year 1993 NIC served nearly 4,800 Federal, State, and local government program participants and anticipates nearly double that by Fiscal Year 1995. Although, NIC's funding for training has declined, NIC will continue its efforts to assist in the improvement of State and local corrections operations, strengthen correctional programs, and respond to inquiries.

Summary

In summary, we have prepared a budget request which emphasizes the critical need to increase the capacity of the Federal Prison System, yet reflects the very limited fiscal environment in which the Federal Prison System and other law enforcement agencies must operate. Prisons are a finite resource, and we understand the need to prioritize accordingly.

We believe that our progress to date, combined with efficient use of new resources, will enable us to meet the growing challenges of housing and caring for an increasing inmate population.

I would like to thank you, Mr. Chairman, and Members of the Subcommittee for your continued support. This concludes my prepared remarks, and I would be pleased to answer any questions you or your colleagues may have.

PRISON ACTIVATIONS

Mr. MOLLOHAN. Well, you are asking for a big increase here.

Ms. HAWK. Yes, sir.

Mr. MOLLOHAN. Let's talk about it a little bit.

Your Salaries and Expenses request for increase is $457 million, and that is to fund the annualization of last year's activations; is that correct?

Ms. HAWK. Yes, sir.

Mr. MOLLOHAN. And that opens up nine new or expanded facilities and would house anticipated numbers of increased inmates in 1995. At pages 10 and 11 of your B&F budget, it shows activation or expansion of 12 more facilities in fiscal year 1996; 8 in 1997, and 6 in 1998. Could you provide the Committee with ball-park estimates of the cost in each fiscal year to activate the remaining new facilities in the construction pipeline? What can we expect?

Ms. HAWK. In 1996, we would project that our cost for activation, and including in that also the costs for annualizing the institutions that we would have activated in 1995, we are probably talking about a number very similar to that which we are asking for in this fiscal year which is, roughly, about $350 million that would address the annualizations and the activations, because we are activating a similar number of new institutions.

If you project out then into the next two years, 1997 and 1998, the costs would come down some, because we are activating fewer institutions in those two years. However, it would still require a substantial increase to activate the new institutions that would also be opening up in 1997 and 1998.

Mr. MOLLOHAN. Is that schedule pretty firm?

Ms. HAWK. Yes, it is. At this point, we are on target for everything that we have currently planned for those out-years.

Mr. MOLLOHAN. So let's see. What would that total be in 1996—you said about $350 million?

Ms. HAWK. Yes, sir.

Mr. MOLLOHAN. And in 1997?

Ms. HAWK. It would be something less than $350 million. At least $200 million per year, probably.

Mr. MOLLOHAN. And in 1998?

Ms. HAWK. About the same as 1997.

OVERCROWDING

Mr. MOLLOHAN. Well, those are very big numbers. Your budget shows a prisoner overcrowding rate of 33 percent in 1994, and with the addition of some 8,000 beds, you are reducing it to about 28 percent. Even with that addition, it looks like you are just keeping up with the growth.

Ms. HAWK. That is right, Mr. Chairman.

CRIME BILL

Mr. MOLLOHAN. Have you had an opportunity to look at the Crime Bill and determine what kind of impact that is going to have on the demand for prisoner space?

Ms. HAWK. We have been watching that very closely and trying to monitor the impact it will have. It is a little tough to know ex-

actly what the numbers will be because it is still being debated. There are a number of elements in it that will increase our population, some substantially.

There are some elements that may decrease the number of incoming inmates, and some of the elements, if made retroactive, could actually decrease our projections. It really depends upon which of them actually pass and which of them don't, to know for sure whether they are going to dramatically increase our population or not.

Mr. MOLLOHAN. What elements have the potential for decreasing the population?

Ms. HAWK. The ones that could decrease the population, and we are very hopeful that these will make it through the Crime Bill, include the proposal to give inmates a one-year credit off of their sentences if they successfully complete a residential drug treatment program. That would begin to bring our population down.

Our projection is that it could affect as many as 2,000 inmates by the year 2000. So if we project out to the end of the decade, our population would be, roughly, 2,000 less.

Mr. MOLLOHAN. Is that a short-term impact?

Ms. HAWK. Well, it would impact over the short-term. Those 2,000 would add up over that time. The immediate impact would be relatively light, because there aren't that many inmates being released in every given year, because of the long sentences they have. So it would be a cumulative impact over a number of years to really add up to something substantial.

Mr. MOLLOHAN. Before the mandatory sentences start to affect them?

Ms. HAWK. Yes, exactly.

Another one that could affect our population would be the crack cocaine issue that is also being studied currently by the Sentencing Commission, and that is the issue of whether it should be looked at as a harsher drug and therefore get a harsher penalty, or be measured the same as powder cocaine and get a lesser sentence.

It would depend upon whether the amendment was passed as part of the Crime Bill. But then also the Sentencing Commission would have to determine whether or not they are going to reassess the sentencing guidelines. That could end up having a substantial impact if the Sentencing Commission is extremely liberal in how they would adjust the guidelines within that.

Mr. MOLLOHAN. So that is more up to the Sentencing Commission than it is what happens with this Crime Bill?

Ms. HAWK. Well, the crack cocaine one is somewhat. The one that is much more along those lines, though, is the mandatory-minimum exception, that is the third.

Mr. MOLLOHAN. Well, let me understand crack cocaine, first of all. What impact could that have?

Ms. HAWK. It could have, roughly, 2,500 effect over five years if it is not made retroactive.

Mr. MOLLOHAN. Okay.

Ms. HAWK. If it is made retroactive.

Mr. MOLLOHAN. Your projections of 2,500 over five years, where is that pending? Is that an amendment here, or is that before the——

Ms. HAWK. It is being considered by both, so if it makes it through the Crime Bill, it would definitely be in. If it doesn't make it through the Crime Bill, the Sentencing Commission is still looking at it. So that is one that we are hopeful of on both fronts, depending upon how it may——

Mr. MOLLOHAN. If it doesn't make it through the Crime Bill, the Sentencing Commission would still have the authority——

Ms. HAWK. They still have the authority to change that. If it is made retroactive, it could have an even more immediate effect and we could lose upwards of 1,000 inmates immediately who could fit under this provision.

The other one is the mandatory-minimum exceptions, and that is the provision that would enable judges to go below the current mandatory-minimum requirement for low-level, first-time, nonviolent drug offenders who have a minor role. And that is another one that is directly connected to the Sentencing Commission's action that they might take. If the Congress passes that bill, then the Sentencing Commission would have to adjust the guidelines accordingly. So it depends upon which way they go with it.

Mr. MOLLOHAN. Would you have an estimate?

Ms. HAWK. These are real rough estimates, I am very willing to share them with you, but they are very rough estimates.

If the Sentencing Commission does not change their guidelines and they leave the guidelines where they are right now, then nonretroactive, we could lose about 150 inmates after the fourth year. That would be after the inmates have finished the first three years, which they would probably keep and get some time off and, roughly, if it is retroactive, we could lose 500 inmates right away.

That changes dramatically, if the Sentencing Commission in turn reduces the guidelines, and that could have an effect of 3,000 inmates after the fourth year, and 2,500 inmates immediately. And if they drop it even lower, it could increase our numbers again.

Mr. MOLLOHAN. Is there some overlap in these numbers? Are you counting people who would be in the drug treatment program? Are they the same people that might benefit?

Ms. HAWK. Yes. Because when we projected them, we didn't know which proposals were going to make it and which ones were not.

Mr. MOLLOHAN. So taking each one individually, you really can't add them up and say, "If all of these things happen, you get this relief, but if they do happen, you get significant relief."

Ms. HAWK. Right.

There are also proposals that would significantly increase our population, too, that are being considered currently.

Mr. MOLLOHAN. Probably going to get some of both.

Ms. HAWK. I think so.

Mr. MOLLOHAN. But you still have an overcrowding problem. The Crime Bill authorizes a lot of granting opportunities to States to help them with their prison building facility, and none of those programs, we don't believe, provide the funds necessary to activate or operate these facilities once they are open.

You might not be able to comment on this, but can you provide us with an estimate that tells us for each $50 million needed to construct a prison facility, how many millions of dollars it will cost,

however many years later, to activate it, and how many millions of dollars each year after that to operate it? In other words, if the Crime Bill were giving them construction money, but we are not giving them operating money.

Ms. HAWK. Right.

I recently testified before our Subcommittee on Regional Prisons, and I may be able to answer this by using some of the figures we were able to use there. Since the grant money was intended to help offset the need for beds for violent offenders, we projected that $50 million could build one institution for high-security inmates that would hold 500 inmates. The cost of housing high-security inmates is higher than the average.

So we used in that testimony, a figure of $30,000 a year, which is above the $20,000 average, and that would mean $50 million could give you a high-security institution for 500 high-security inmates and would cost, roughly, $15 million a year to operate. That is if the grant proposal requires that they all be necessarily violent offenders as at least one of the grant proposals, those are the figures that we have that we based our projection on.

REGIONAL PRISON OPERATIONS

Mr. MOLLOHAN. Can you give us a sense—and I imagine this would be from informal conversations you have had with your counterparts at the State level—of their sense of their ability to operate these prisons if they were to get Federal money to construct them?

Are they saying, "Well, gee, it is fine for you to give us the money, but we sure don't have money to operate"; or are they saying, "give us the money to build them and we can operate them"?

Ms. HAWK. They are saying primarily the former.

Mr. MOLLOHAN. If you give us the money to build, you better give us the money to operate"?

Ms. HAWK. Right. If the money was only put in one basket, it would not serve them as well if it was purely for construction. That is why the Department is supporting the grant proposal which is not limited to funding purely construction. It could fund either construction or operating, or both. What we found in working with the heads of State Corrections, there are at least currently 12,000 beds sitting out there that have been constructed that they have not been able to operate because they didn't have the operating monies.

So it seemed kind of misdirected if we put all of the money into constructing new beds if there were existing beds out there that folks didn't have operating monies for.

The grant proposal——

Mr. MOLLOHAN. Is that at the State level?

Ms. HAWK. That is at the State level. Not even counting jail beds, that is purely government-built, government-constructed prison beds.

Mr. MOLLOHAN. You testified in this area.

Do you have a sense of what potentially the long-term liability for the Federal Government is arising out of these grant programs?

Ms. HAWK. Well, I have not really projected it out in those terms. I guess it depends upon whether or not the Federal Government—

in the grant program, there is not necessarily a guarantee, I don't believe, that the money is going to be——

Mr. MOLLOHAN. No, I know there is not, but there is this expectation; and if you lay those programs out there, you create a very big constituency that tends to exercise their effective lobbying powers to try to get it.

So I am just trying to get a sense of what would be—say if we were to operate, what percentage there might be a need to do that into the future? Could you give us a handle on that?

Ms. HAWK. In very general terms?

Mr. MOLLOHAN. Yes.

Ms. HAWK. That money that was set forth in the Crime Bill——

Mr. MOLLOHAN. You know I won't hold you to them.

Ms. HAWK. I hope not. Unfortunately, it will be on the record. In very general terms, the original Crime Bill proposal talked about 25,000 beds. So if we use that as a figure, 25,000 beds at the State level, the average cost currently is roughly $20 to $21,000 a year, which obviously will go up with inflation; Wade has his calculator here, we might be able to answer that.

Mr. HOUK. $500 million.

Ms. HAWK. Per 25,000 beds.

Mr. MOLLOHAN. If we were to assume responsibility for operating all of them?

Ms. HAWK. Yes.

Mr. MOLLOHAN. It is too much to ask you to make a judgment about whether you think there might be a Federal need to participate and whether you think the States could.

Ms. HAWK. I appreciate that.

NEW CONSTRUCTION

Mr. MOLLOHAN. You request $58 million to construct a low-security facility in, I guess Pollock, Louisiana. Is that the total amount required to complete this project?

Ms. HAWK. That, plus the $8,500,000 we received in fiscal year 1992 to do the initial site work, planning and all of that, would be sufficient to construct that institution.

Maybe I should comment on that because of the increase in concern for violent offenders and some of the provisions in the Crime Bill, that could bring a much more violent population to us, as well as what we are already seeing from our current population, where we are getting much heavier gang membership and a more violent population coming to us. We have been forced to go back and reassess some of our projections of what security level institutions we might need, and we are relooking at the issue of building Pollock as a low; we may need to be raising the security level on that institution, because the inmate composition is changing that is coming our way.

Now, if we end up having to choose to do that, then that amount of money would not be sufficient and we would have to go back to the drawing board.

[CLERK'S NOTE.—Subsequent to the hearing, the Bureau notified the Committee of its intent to raise the security level at Pollack from low to high. This would also raise the cost by $22,400,000.]

BUREAU OF PRISONS MANAGEMENT

Mr. MOLLOHAN. Mr. Rogers?

Mr. ROGERS. Ms. Hawk, welcome back.

Ms. HAWK. Thank you.

Mr. ROGERS. Best wishes to you.

I have said this before, and I will say it again to your face, I think the Bureau of Prisons is the best-run Federal agency that I am aware of.

Ms. HAWK. Thank you very much, Congressman.

Mr. ROGERS. And I think you have a good staff and it is very efficiently run, and I have nothing but the highest praise for it.

Ms. HAWK. Thank you.

CRIME BILL

Mr. ROGERS. Having said that, let me trace back a bit on some of the Chairman's points on the—if we pass this Crime Bill and authorize billions of dollars to help States construct State prison facilities, what that in essence means is the States will never again build their own prisons. I mean, we will have, in my opinion, federalized the State prison construction from here on out. That is just the way nature works, in my opinion, and I think we will have assumed an endless responsibility with zillions of dollars.

Number two, if these grants are available to help operate those facilities, then if nature takes its course and these grant programs are worked like every other Federal grant program we will wind up being asked to pay all of the costs of the operations of State prisons, which is just beyond anyone's capability, certainly—beyond the Federal Government's capability, particularly given our budget constraints. We are used to dealing with prisons that house 5 percent of the prisoners. Congress has not yet realized, I don't think, that 95 percent of prisoners—I think I am generally correct on this—are in State prisons.

Do you have any thoughts about this monumental responsibility we are toying around with in the Crime Bill?

Ms. HAWK. Well, I think your concerns are very valid, sir, and I think that is a major part of the reason why the Department of Justice and the Administration chose to support the grants program, which is more finite in nature than something that would suggest a more long-term commitment and involvement. Because I think it is unwise to set up an expectation that such funding would be infinite and there for a long time.

I think the grant proposal makes it much more clear to the States what they are asking for, the amount of money they would be receiving, and what it would be intended to do for them, with no suggestion or indication that there would be more money coming after that.

Mr. ROGERS. Well, I am not sure you are right about that.

Ms. HAWK. Okay.

Mr. ROGERS. The grants programs that I have seen in other areas, once you establish a Federal grant program, the States then take that to mean, well, I don't have to worry about using my own money, I will just apply for a Federal grant. Politics being as it is, we become responsive to those local concerns, and before you know

it, all of the programs being funded by grants are from the Federal Government.

I think we would be heading in that direction with this kind of a grant program, not just for the construction, but the operation. If you are going to pay for it, it seems to me like you ought to go ahead and do it right. I think the responsibilities of your agency, in due course of time, will become much, much larger, because I think you will be asked to at least advise States on how to operate their prisons that we built.

Does that frighten you?

Ms. HAWK. I guess it does a little bit, Congressman, but I guess the alternative frightens me, too; and that is, I know the States are in dire straits in terms of providing necessary bed space. I know we don't have room in the Federal Prison System to bring a large number of inmates that are being tried at the State level into the Federal system.

I think we are at one of those crossroads of very difficult choices; and I am very glad that it is Congress that is having to make those choices in terms of making decisions of which way to go with the regional prisons proposal.

LEASE FACILITY

Mr. ROGERS. Now let me ask you, the detention facility at Oklahoma City airport, a lease, and you are requesting $8.7 million for 1995. What is that?

Ms. HAWK. The facility, sir? What is the lease for?

Mr. ROGERS. Yes.

Ms. HAWK. It would be a transportation center that would house 1,000 detainees. Oklahoma City airport is one of the Marshal Service's major transportation hubs. They move all of our inmates, as well as their inmates. Currently, we are having to house them in our existing medium-security institution in El Reno, Oklahoma, and we are losing valuable bed space for sentenced inmates by having to convert that institution currently to holding primarily detainees.

This facility would be located right on airport property, would cut down a lot of the security concerns that are there in transporting the inmates from El Reno, Oklahoma to the airport, which is a distance of roughly 40 miles, I believe, and would make the entire process much safer and more cost-effective by being able to house them on that location right there on the airport property.

Mr. ROGERS. Is that an annual payment?

Ms. HAWK. Yes, it is an annual payment for 20 years.

Mr. ROGERS. $8.7 million a year?

Ms. HAWK. Yes.

Mr. ROGERS. And after 20 years, do you own the facility?

Ms. HAWK. We don't actually own the facility, but after 20 years we have the option of continuing the lease; but we would only have to pay for the property, the cost of the property, the ground that it is sitting on.

Mr. HOUK. It would be about $40,000 per year?

Ms. HAWK. After the first 20 years, just for the real estate that it is sitting on.

Mr. ROGERS. That is a pretty hefty cost, $174 million over 20 years.

Ms. HAWK. Yes, sir, it is.

Mr. ROGERS. Is it just a warehouse-type operation?

Ms. HAWK. No, sir. It is a brand-new facility being constructed by the airport authority, and they will then lease it to the Bureau of Prisons.

Mr. ROGERS. And you have no capital invested?

Ms. HAWK. No, we do not.

Mr. ROGERS. What would it cost you to build such a facility?

Ms. HAWK. To build a facility to house 1,000 detainees would probably be roughly $65 to $70 million.

Mr. ROGERS. Does that not make more sense?

Ms. HAWK. Well, there is a bit of a history to that facility, Congressman, as you can imagine. The whole idea actually came to be a couple of administrations ago when they were exploring alternative ways of exploring privatization for corrections and different ways of procuring and leasing, and we were very much encouraged to enter into various different types of experimental cases. This was one in the leasing area that we agreed to pursue.

We could not have gotten that property on that airport. We could not have purchased it. We would have been totally unable to do it. They were willing to construct the facility. There was a lot of discussion that went on, and that is why it took a few years, and it is a one-and-only lease arrangement that we have.

I believe one of the expectations was that you would leverage your dollars by spreading it out over 20 years, rather than having to come up with that entire amount of money in the first year or the first couple of years of construction.

I would—if you want more detail, I would defer to Wade, who has been working much more closely with that over the last few years, if you would like more detail.

Mr. ROGERS. No, I think that is sufficient.

Ms. HAWK. Okay.

NEW CONSTRUCTION

Mr. ROGERS. What prisons do you currently have under construction?

Ms. HAWK. We have a number of them currently under construction. We have roughly 34,000 beds that are still under construction, as we speak; and they are at multiple sites.

Mr. ROGERS. If you would like, you can submit a list for the record.

Ms. HAWK. Okay.

[The information follows:]

Federal Prison System

Buildings and Facilities

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Funds Status: New Construction: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1996 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
New facilities:							
Allenwood, PA FCC (2,454).....	1989	$6,100	$193,515	$193,515	$192,941	Low Security (992) - Complete	
		114,700				Medium Security (768) - Complete	
	1990	72,715				High Security (640) - Complete	
						Other (54) - Complete	9/94
Florence, CO FCC (2,380).....	1989	6,500	205,000	205,000	206,780	Minimum Security (512) - Complete	
		132,421				Medium Security (744) - Complete	
	1991	66,079				High Security (640) - 99% Complete	2/94
						Admin. Max Security (484) - 89% Complete	7/94
Cumberland, MD FCI (1,024).....	1989	3,100	65,000	65,000	64,465	73% Complete	9/94
		58,100					
	1990	3,800					
Brooklyn, NY MDC (1,789).....	1989	52,000	150,500	150,500	153,469	Interim Facility (560) - Complete	
	1990	61,000				Permanent MDC (1,229) - Construction Contract Awarded	1996
	1991	37,500					
Miami, FL FDC (1,233).....	1989	3,320	78,000	78,000	74,146	83% Complete	10/94
	1990	74,680					
Greenville, IL FCI (1,024).....	1990	65,500	65,500	65,500	63,812	71% Complete	9/94
Pekin, IL FCI (1,024).....	1990	65,500	65,500	65,500	63,008	74% Complete	9/94
Beckley, WV FCI (1,536).....	1990	85,000	85,000	85,000	65,780	11% Complete	4/95
Taft, CA FCI (2,048).....	1990	91,500	91,500	91,500	6,169	Construction Contract Awarded	1996
Butner, NC Complex (1,755).....	1990	160,000	168,700	168,700	54,261	Low (992) - Contract Awarded	4/95
	1991	8,700				Other (250) - In Design	1996
						Medical (513) - In Design	1996

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Fund Status: New Construction: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1994 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
New facilities: (Con't)							
Elkton, OH Complex (2,048).....	1990 1991	$56,600 30,500	$87,100	$87,100	$5,069	Minimum (512) - EIS & Design Underway Low (1,536) - EIS & Design Underway	1997 1997
Beaumont, TX Complex (4,160).....	1990	167,000	167,000	167,000	9,713	Minimum (512) - In Design Low (1,536) - In Design Medium (1,152) - Requested High (960) - In Design	1996 1996 1998 1996
Seattle, WA FDC (677).....	1990	63,800	63,800	63,800	4,805	EIS Underway	1997
Coleman, FL FCC (3,200).....	1990	134,000	134,000	134,000	116,454	Minimum (512) - Contract Awarded Low (1,536) - Contract Awarded Medium (1,152) - Contract Awarded	7/95 10/95 10/95
Oklahoma City, OK FTC (1,043).....	1990 1991	10,500 500	11,000	11,000	10,201	Lease Program 43% Complete	4/95
Hawaii MDC (677).....	1991	10,300	10,300	80,300	442	EIS Underway	1998
Houston, TX MDC (677).....	1992	54,900	54,900	54,900	9	EIS Underway	1998
Philadelphia, PA MDC (835).....	1992	81,950	81,950	81,950	4,953	EIS Underway	1997
Edgefield, SC FCI (1,536).....	1992	63,600	63,600	63,600	4,729	EIS Complete, In Design	1997
Scranton, PA, Minimum Female (512)..	1992	40,800	40,800	40,800	10	Site Investigations	1998
Pollock, LA FCI (1,536).....	1992	8,500	8,500	66,500	82	Site Investigations	1998
Middle District of Florida (677)....	1993	5,760	5,760		0	Proposed rescission project	
Yazoo City, MS FCI (1,536).....	1993	64,300	64,300	64,300	4,139	In Design	1996
Forrest City, AR FCI (1,536).....	1993	66,792	66,792	66,792	3,926	In Design	1996

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Fund Status: New Construction: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1994 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
Acquired facilities:							
Carswell AFB, TX (706).....	1990	$52,000	$52,000	$52,000	$0	Medical (300) - EIS Underway Minimum (150) - EIS Underway Low (256) - EIS Underway	4/95 4/95 1997
Waseca, MN (1,150).....	1990	8,000	8,000	8,000	0	EIS Underway	4/95
George AFB CA, Minimum Female (512).	1990	55,000	55,000	55,000	12	Site Investigations	1997
Ft. Devens, MA Complex (1,446).....	1993 1994	32,683 74,273	106,956	106,956	6,800	Medical Center (294) - In Design Minimum (512) - In Design Low (256) - In Design Medium (384) - In Design	7/95 7/95 1997 1997
Fort Dix, NJ FCI - East (1,600).....	1993	4,492	4,492	4,492	4,122	1,600 beds - Complete	11/94
Fort Dix, NJ FCI - West (1,600).....	1993	3,400	3,400	3,400	819	1,600 beds - Under Development	
Expansion of existing facilities:							
Atlanta, GA Holdover Unit/..... Detention Unit (370)	1990 1991	19,775 4,482	24,257	24,257	24,448	99% Complete	1/94
Nellis, NV (435) Phase Two.....	1990	500	500	500	457	Complete	
Yankton, SD Design, Phase II (110)..	1990	500	500	500	408	90% Complete	1/94
Milan, MI Camp (150).....	1990	1,000	1,000	1,000	0	Preliminary Stages	10/95
Tallahasse, FL Camp (150).....	1990	1,000	1,000	1,000	0	Preliminary Stages	10/95
Ft. Worth Long Term Care Unit (85)..	1991	10,500	10,500	10,500	8,827	Complete	
Terre Haute, IN Seg Unit (125).....	1991	6,100	6,100	6,100	6,201	Complete	
Sheridan, OR Det Unit (188).....	1991	9,900	9,900	9,900	9,294	30% Complete	1/95
El Reno, OK Housing Unit (0 beds - Replaces 240).....	1991	10,219	10,219	10,219	9,501	83% Complete	3/94

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Total Capacity	Fund Status: New Construction: Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - February 1994 - Congressional Submission (FY 95): Oblig. to Date	Stage of Programs	Estimated Activation Date
Expansion of existing facilities: (Con't)							
Seagoville, TX Det Unit (188).....	1991	$9,774	$9,774	$9,774	$882	In Design	6/95
MCC Miami Construct Camp, Phase I (98).....	1992	1,878	3,278	3,278	2,295	Phase I - 80% Complete	6/94
MCC Miami Construct Camp, Phase II (98)....	1992	1,400				Phase II - 10% Complete	
Bastrop, TX Housing (180).....	1993	5,051	5,051		0	Proposed rescission project	
Safford, AZ Housing Unit Expansion (120)...	1993	1,101	1,101	1,101	201	Preliminary Stages	8/95
Lompoc, CA Special Housing (41).....	1993	1,701	1,701		0	Proposed rescission project	
Safford Health Service/Special Housing (120)	1993	1,601	1,601		0	Proposed rescission project	
El Reno, OK Replace Housing, Phase II (0)..	1992	10,000	10,000	10,000	388	In Design	5/96
Oakdale, LA Construct Camp (94).....	1992	765	765	765	763	Complete	2/94
Bastrop, TX Construct Camp (94).....	1992	930	930	930	978	90% Complete	2/94
Otisville, NY Construct Camp (100).....	1992	750	750	750	742	75% Complete	2/94
Loretto, PA Construct Camp (100).....	1992	750	750	750	183	22% Complete	11/94

ANTICIPATED CONSTRUCTION

Mr. ROGERS. Are you anticipating any new ones that are not now under construction? Do you have plans for others?

Ms. HAWK. Yes, we do. We have a construction plan in place for the next several years. It will depend upon what the population looks like as we project out, over. We are projected now to 1998 and up to 2002.

Our construction that is under way right now would be coming on line, and the ones we are asking for this year would be coming on line around 1998. So for any projections beyond that, we do have sites anticipated, we have areas of the country we know we would like to go to if we need to increase with our population.

Mr. ROGERS. I wonder if you could submit for the record as well those—that data.

Ms. HAWK. Yes, sir.

Mr. ROGERS. Thank you very much.

[The information follows:]

BUREAU OF PRISONS ANTICIPATED BEDS NEEDED BY REGION

	1999	2000	2001	2002	Totals
Region:					
Mid-Atlantic	256	960	0	0	1,216
North central	925	0	512	512	1,949
Northeast	120	0	0	1,236	1,356
South central	512	0	0	1,536	2,048
Southeast	512	580	2,048	650	3,790
Western	4,302	2,560	1,636	2,612	11,110
Totals	6,627	4,100	4,196	6,546	21,469

VISITATION POLICY

Mr. MOLLOHAN. Mr. Skaggs?

Mr. SKAGGS. Thank you, Mr. Chairman.

Good afternoon.

Ms. HAWK. Good afternoon.

Mr. SKAGGS. Last fall, several of us signed a letter that our colleague from California, Ms. Pelosi, had circulated concerning, or requesting that the Bureau establish a private, family visitation pilot project, looking to the models that several States have had success with. Your response to Congresswoman Pelosi cited administrative and security obstacles to pursuing even a pilot program.

I am just wondering why that would be impossibly more difficult at the Federal level when several States evidently have had success with that, and it has had good rehabilitative and other benefits.

Ms. HAWK. We explored, Congressman, in each of the States who have conjugal visiting in place, and also in Canada which also has conjugal visiting in place, and we found a real mixed review, even in discussing it with the States who are—that currently have conjugal visiting in place. They see it as valuable to them as a management tool in that the inmates have something to look forward to.

When you look at the numbers of inmates that we have, to be able to offer such a program to any sizable number of the inmate

population, you would really be having to do this on a large scale if you got into it in a big way.

What we found was that their research that suggested there was a value in terms of rehabilitation, was sorely lacking in follow-through, and in really working with the inmates over time. The best benefit they seem to be finding was simply the management issue. We have explored this numerous times and have talked about it and looked at it just about every which way you can—our belief and our conclusion was that the security concerns that it would raise, the problems that would bring into place—because it is a major way for drug trafficking into the institutions, it is a major way in which illicit things are brought into institutions through the visits, there are occasions when domestic abuse occurs during visits, there have been a number of problems that the institutions have incurred—and even if we look to our neighbors in Canada, they have been forced to now include homosexual visits because of the acceptance in Canada of the relationships of—homosexual relationships. And more and more, as we looked at the entire situation, we found that it was fraught with far more difficulty than there was benefit.

What we do support and we endorse greatly is releasing inmates into community programs as early as possible, and when they are planning release, so that they can reunite very strongly with their families—our family visiting program, our parenting programs where the offenders can develop much stronger relationships with their children in how to parent effectively, parenting centers in the visiting rooms in many of our institutions so that the inmates, male and female, can have quality visits with their children during the visiting program.

We use furloughs for those inmates who are within two years of release and don't have a serious violent history, who are able to get furloughs out in the community with their spouses to be able to do the same kind of bonding that is intended in conjugal visits. We have elected to explore those other routes as being much more beneficial than conjugal visiting.

MAXIMUM SECURITY FACILITY

Mr. SKAGGS. I appreciate your observations on that. That is helpful.

We in Colorado are anticipating—I think that is a word I can use without prejudice—the full operation of the Florence Prison, and there are several concerns that have been raised in the State and in the area that I represent.

I guess the first question is, when—is this really going to be the top maximum security facility for the whole system?

Ms. HAWK. The administrative maximum institution, which is one of the three at Florence—it is the smallest of the three—will be the highest security institution within the Bureau of Prisons.

Mr. SKAGGS. And when will that be on line?

Ms. HAWK. We anticipate beginning to move inmates in there at the—in either September or October. We are going to move them in very gradually. We are going to be extremely careful in moving the inmates from their current location in Marion, Illinois to the Florence facility and bring that institution up very slowly, to make

sure that there are no dangers there in terms of the security, so that we have a chance to check it out with a smaller population and then increase the population.

Mr. SKAGGS. What happens to Marion after that?

Ms. HAWK. Marion is going to revert to being a regular penitentiary. However, because of its physical design and the relatively small size of the institution, we are going to—our current plan, and we are still working out the details—is to maintain somewhat of a more restrictive environment there. So, inmates who certainly don't merit placement in a maximum institution—they don't require that kind of restriction, but have had multiple disciplinary problems throughout our other penitentiaries; we have been moving them around could be placed in Marion, which will provide a more restrictive environment, but nothing as secure and restrictive as the Florence Prison.

Mr. SKAGGS. Does anybody go directly to a place like Florence? Do you anticipate that you have to work your way to Florence through misbehavior?

Ms. HAWK. The vast majority of inmates really have to work hard to earn their way. Over 50 percent of those inmates are either in there for murdering while in prison, or attempting to murder while in prison and the individual just didn't die. You really have to lead multiple major disturbances, to be a really bad actor, to ever work your way there.

The only other cases that could either work their way into Marion or Florence, which are very few, are those that have tremendous histories, tremendous resources in the community, again very bad actors whom we really fear a major escape risk from, who would have plenty of opportunities or resources on the outside to facilitate a major escape from a major penitentiary and put society at risk. We do occasionally put those inmates directly into Marion.

CONTROL UNIT

Mr. SKAGGS. For the general run-of-the-mill bad actor that would be in that kind of a facility, what is the operative set of assumptions about the degree of control that is required over those individuals, and how does a setting like the new Florence facility meet those requirements?

Ms. HAWK. There are really two different ways in which you can enter Florence, as we will use Florence, expecting that we will be opening. One is the control unit. That is the most controlled, most locked-down individual.

Mr. SKAGGS. And that is really what I am trying to get at.

Ms. HAWK. Right. Currently, in existing Marion, there are only 50 inmates in the control unit. Out of the 380, I believe it is that we have at Marion currently, only 50 of them are in the absolute control unit. These are individuals who have committed multiple murders in our institution, killed our staff. These are really lethal people with no indication that these people are going to make significant changes. However, they do work their way out.

The average length of stay in the control unit is three years. So, you know, as they adjust and they accept, they don't want to live their life that way, the vast majority of them do work their way back out in the general population.

The general population of Marion is the second form of Marion, and those are inmates who live in smaller housing areas, cell blocks with smaller inmate populations. They recreate, they program in smaller groups so that we can maintain greater control over them, rather than opening up the entire institution and having a full, open population. And these are intended to work their way back to our institutions. And again, the average length of stay of the general population is also three years.

There are three different levels. The first level is relatively restrictive, the second level is less restrictive, and the third level, they are into a normal regime in terms of working in prison industries, going to classes—although we do have classes for the other inmates, but they do it all via television, you know, video accessing—and there is just a lot more freedom.

That is our real test. If they can handle that open population, then they are ready to move back into our regular penitentiaries.

Mr. SKAGGS. It sounds as though you have experience that demonstrates that the tightest control unit approach does, in fact, change behavior in a way that in most cases permits the reintegration back into a less restrictive setting.

Ms. HAWK. In the majority of the inmates that have been at Marion, they work their way back into a regular penitentiary, yes.

Mr. SKAGGS. I have several more questions, Mr. Chairman. I don't want to take more time on this round, but I may have something for the record, and we can——

Mr. MOLLOHAN. Why don't you go ahead and finish up. I understand. Go ahead. We have all taken time, and perhaps there won't be another round.

Mr. MORAN. I haven't had my first round yet.

Mr. MOLLOHAN. Oh, I am sorry. Go ahead.

Mr. SKAGGS. Even of Mr. Moran, I try to be considerate.

Mr. MOLLOHAN. Go ahead. I am sorry.

Mr. MORAN. We are about—the next vote, you may have noticed that we will have a series of votes. The next two votes, actually, are going to be on Pell grants to prisons; and I would like to get your point of view on that.

Ms. HAWK. I appreciate that, Congressman.

We are very concerned about the proposal that is being considered that would totally eliminate inmates from an ability to participate in the Pell grant program. That is a major initiative for us, to have inmates who can complement what we are able to offer through our institution programs and be involved in college programs.

The vast majority of the inmates who receive Pell grants in the Bureau of Prisons are taking classes that are very vocational in nature. I mean, they are classes where they can actually learn a skill. Many of them are in business programs, accounting programs, programs that they can actually use to take out of the prison system and get a job upon release that can serve them well in terms of recidivism.

There is a direct correlation that we have found in our studies, as well as some in the State of Michigan and other States, that show that inmates who do participate in education programs that include college programs have a much better recidivism rate upon

release; and they also—the education programs really complement and supplement our budget in terms of the programs we are able to offer to keep inmates constructively occupied.

And you know, as we have said oftentimes to this subcommittee, inmates who are constructively occupied save us lots of money and save society lots of money because they are not thinking up negative behaviors to do within the institution.

We believe there is a secondary amendment that is being considered that would perhaps put Pell grants kind of on notice and require us to study—Corrections to study what the effect truly is and to make sure that the Pell grants are being used for inmates where really the recidivism argument and all of those things have a direct correlation. And I find that to be a very fair way of approaching the whole issue of Pell grants.

I, as well as my colleagues in State corrections, am very troubled at the thought of suddenly losing the Pell grant program without an opportunity to really show its benefit, to demonstrate the effect that it has, and to be able to balance the inmates who we would like to see remain eligible, and maybe exclude some elements of the population where it is much harder to display a correlation of benefit.

Mr. MORAN. That is interesting. So you would have us vote no on the Gordon-Fields-Holden amendment and vote aye on the Wynn amendment?

Ms. HAWK. Absolutely. Yes, sir.

LORTON FACILITY

Mr. MORAN. Thank you. That is helpful.

Now, we are going to talk a little bit about Lorton Reformatory. And the reason is that Lorton appears to be the most mismanaged prison anyplace I can find in the country. Part of it is because of the—of some guards.

We had a situation a few weeks ago where about two dozen guards were arrested, they were selling drugs inside the prison, selling guns, et cetera; had schemes going with the prisoners and all.

I think it was a week-and-a-half ago we had a situation where, I think it was the FBI had gone in—maybe it was you, your people—but into this cell block where you have the highest security, because I think the witness—there are people that you need to testify against others. And there were pictures of fellow prisoners with knives to intimidate them from testifying against them.

It turns out that one of the guards involved is the common law wife of the drug kingpin who was threatening these people. So it doesn't give you a lot of confidence to be in prison when the prison is run by guards who are living with the drug kingpins.

In the last two weeks, we had two prisoners shot escaping, another two prisoners did escape. Another—just last night we had another prisoner knifed. I am told by others that Lorton prisoners are just about the worst in the system. Nobody wants to take them; they won't take them even—no matter how much money they send with them, we don't want them, because they are so difficult to control.

Something needs to be fixed.

Now, it would seem to me that if your average cost is about $20,000 per prisoner, and D.C. is paying about $27,500 per prisoner per year, that D.C. could save money, which it desperately needs to do, and you could take over Lorton, be fully compensated for your costs, save D.C. money and provide a whole lot more security to the Washington metropolitan area.

Lorton is never going to move. I am willing to take the political heat for that, because most people think it is going to move some day. It is not going to move, but something has to be done. It is a threat to everyone in the Nation's Capital.

FEDERAL CONTROL OF LORTON

Now, given those comments, just sort of laying the groundwork here—you have given this a little thought perhaps since we last met—share with us your perspective on this issue.

Ms. HAWK. I certainly did appreciate the opportunity, Congressman, to meet with you and share my concerns; and I appreciated your willingness to hear my concerns. But in terms of the dollar figure that you are referencing, the $20,000, that is up to almost $21,000 now, is an across-the-country average. And if we were to factor out our institutions located in higher-cost-of-living areas, now with the locality pay, with the cost of doing business in those areas, I would guesstimate that our costs would probably not be a whole lot different than Lorton's cost of $27,000. If we were to weigh that against our institutions in much more rural areas where there is no locality pay, it is much less expensive to do business.

I have not factored that out, but I know when we were protecting the Metropolitan Detention Center that had been funded for the District, our cost per day—our cost per year per inmate was significantly higher.

My concerns, as I shared with you, are multiple. One concern is that I think that we would be walking into a very serious problem in terms of staffing issues and inmate issues, because one way to take control of that facility would be to spread the inmates who are there around the country, break up some of the lifestyle that currently exists there; as well as many of the staff who are working there probably would not meet our hiring criteria. There would be major problems in terms of who would or would not retain employment and major union problems.

They have a very strong—multiple unions, I believe; I think they shifted the one, but they have a major union issue there. We would be walking into a lot of problems.

The inmates there are a difficult population to deal with. As I said to you after I got past all of the operational kinds of concerns, very candidly, the bottom line for me is, in looking at our agency, the growth that we are going through, what our staff are having to deal with, the amount of growth we are dealing with in terms of recruiting and hiring enough new staff, developing managers fast enough to keep up with our own growth, it would really trouble me very much to think—at this time in our history and the dramatic growth, to take on a system that is so fraught with issues and concerns as the D.C. system.

We are very willing to work through the National Institute of Corrections and the Bureau of Prisons to provide advice and guidance and assistance.

I do understand that they, I picked up through the rumor mill, identified an outstanding individual who was willing to consider taking the job of Director; and if that person can get the kind of support that they need from the District leadership, I think that they can turn their problems around with technical assistance.

I think the whole issue of us taking Lorton flies in the face of the District trying to work towards Statehood; and I think you don't assist a government in being better able to manage its own business by taking the problematic pieces away from it. That is one of the things I shared with you that day.

I think that many of the issues are conflicting in terms of considering us taking over Lorton. And I appreciate the opportunity to share my concerns again, sir.

Mr. MORAN. So what you are saying apparently is, it is a bit of a headache that you are somewhat reluctant to take on?

Ms. HAWK. That is a little underestimating it.

Mr. MORAN. Well, I can't say that I am shocked at your perception of the problem and your interest in taking that on; but it is still not a finished issue, as far as I am concerned.

Given the time, I think we are going to let you go. I will defer. I will just put some of the questions in for the record. I missed some of them, so there may have been some others that were asked.

CHEP PROGRAM

Did you ask about the Cuban and Haitian Entrant Program?

You didn't ask about that? I am surprised. Would you mind if I asked about that?

Mr. MOLLOHAN. Go ahead, Jim.

Mr. MORAN. How do you plan to manage the Cuban and the Haitian program that was transferred to the Bureau of Prisons?

Ms. HAWK. The Cuban-Haitian Entrant Program is really quite similar to services that we provide to many of the inmates, upon release, anyway. That is the main reason why when the Attorney General learned what the Cuban-Haitian Entrant Program was, she recommended that it be moved into the Bureau of Prisons jurisdiction, because it is almost a duplication of services for the Community Relations Service to be doing this, which didn't match their normal responsibility.

The Cuban-Haitian Entrant Program would only involve the Mariel Cubans, and it would be involved in placing them in halfway houses, dealing with those who have mental health problems; and we do all of those things right now, and we would be looking at some of the contracts that they have currently in place. We believe that there are cost savings to be found in programs bringing some of those inmates out of contract into some of our existing facilities, as well as coming up with more cost-effective contracts that do exist.

The only piece that would be new for us is the family sponsorship program. But that is carried out by a contractor; and we would envision just continuing to contract with them to handle the family

sponsorship program. So it is really not significantly different than the work we are already doing.

Mr. MORAN. Okay. I guess it makes sense on paper.

I think it would make more sense to send them back. If we could tack that on to your Radio MARTI bill, David.

Mr. SKAGGS. TV MARTI.

Mr. MORAN. But I don't think that is going to be done.

Anyway, we thank you, Ms. Hawk. You are doing a fine job, and we thank you.

Mr. Chairman, you are doing a fine job as well.

Mr. MOLLOHAN. Thank you, Mr. Moran.

Mr. Skaggs.

FLORENCE DISTURBANCE

Mr. SKAGGS. If I could sneak in a couple more. Thank you, Mr. Chairman.

Back to Florence, Colorado. As I understand it right now, if there is any kind of an emergency there, your people basically have to call 911 to get help, and—at least that is the gist of some reporting in our local press at home. Maybe that was inaccurate. Unlikely, but possible.

Obviously that, if true, I am just wondering what your emergency response plans are or what is in place now?

Ms. HAWK. You are absolutely right, Congressman. There have been some very negative reports in the news media lately out there. When we did have a disturbance at Florence, one of the staff members did call 911. That is not the way in which we access community support. That was accessed prior to us even believing we needed outside support at that time, and we have a lot of new staff there.

Mr. SKAGGS. That was not normal procedure?

Ms. HAWK. That is not the way we normally do business, no. In each community that we go into, we develop memorandums of understanding with all of the local law enforcement personnel.

One of the things that happened in Florence—and we will not repeat it; we did not repeat it with the high, we will not repeat it with the new—because of our desperate need for bed space, we moved into the medium very quickly, very quickly, because we needed the bed space so badly.

The population we had in there turned out to be a much more problematic population than we anticipated, because of the new gang membership that we are talking about, drawing a lot from the West Coast. Our gang membership, the street gang membership, is increasing dramatically; and we found that we had a preponderance of some of those inmates at Florence. And it kicked off a disturbance, when in normal routine we would have never had a disturbance at a medium-security institution that early in its existence.

So we did not do everything by the book at Florence as we should have because of our desperate need to get beds on line very quickly. That resulted in some miscommunication with community law enforcement, and we did have a disturbance that resulted in the negative media response.

We are fixing those problems. We will guarantee that will not happen again, and we will definitely not have things like that occurring in the higher security—in the Florence maximum-security, because we are moving into them much more gradually and with a much more thoughtful approach to it.

Mr. SKAGGS. Our—"fixing" was your term, but "have fixed"?

Ms. HAWK. I know we are fixing. I don't want to promise you that it is absolutely fixed at this moment. I don't want to overestimate my promise.

NATIONAL INSTITUTE OF CORRECTIONS

Mr. SKAGGS. Also, of parochial concern, the National Institute of Corrections is located in the area I represent. From what I understand, State corrections people generally give that operation very, very high marks——

Ms. HAWK. Absolutely, sir.

Mr. SKAGGS [continuing]. In providing the kind of support and guidance that they need as they are dealing with their piece of the crime problem and demand for correction space; and yet we are seeing a suggestion from the administration of a modest decrease, even while presumably the demand for that kind of service is going up markedly.

Ms. HAWK. Yes sir, that is true.

Mr. SKAGGS. One further editorial comment, I guess.

We are in the middle, as Jim has indicated, of a debate on the crime bill, and we are talking about all kinds of ways yet to be proven of trying to provide grant assistance and other assistance to States in the corrections field.

Here is something that we know works.

Ms. HAWK. Right. Absolutely. I appreciate your adding on that second piece, because that is where we see, perhaps, growth in NIC coming in the future.

NIC is not the only part of the Department of Justice that assists the States; the Office of Justice Programs provides grant assistance to the States and to State corrections, as well as all the criminal justice entities.

But NIC, I believe, is singularly viewed by the heads of corrections to be a tremendous help to them. One of the things we are hoping for that, if the crime bill passes and there is substantial financial assistance going out to the States, that it is only logical that NIC's role should increase in terms of helping to ensure that the monies being put forward get the best technical advice, the best assistance, and the best training behind it, so that these monies can be spent wisely.

So we are very much anticipating that if the crime bill passes and large amounts of money do go to State corrections, then we would be looking to help NIC grow in the future to be able to better provide the kind of technical assistance, I think, so that we can assure that those monies are spent wisely.

THREE-STRIKES PROGRAM

Mr. SKAGGS. I am trying to figure out how to put a question to you on the "three-strikes-and-you're-out" proposal. Have you already discussed that this afternoon?

Ms. HAWK. No, we have not.

Mr. SKAGGS. It would probably be not too clever to ask whether you are going to support some new academic programs in geriatric criminology in order to be prepared for the ultimate consequences of this. But what are your observations of both the conditions that began and are suggested as conditions that could end a term for someone convicted under the "three-strikes" proposal?

Ms. HAWK. I think that a major consideration is that those individuals to whom the "three-strikes-you're-out" provision would apply is really the very narrow population that truly are the violent, horrible offenders you really do not want back on the streets ever. And I think there are some weaknesses in the some of the State provisions that have been passed which spread the umbrella too broadly and ended up risking catching people that maybe did not need to be locked up for life. Perhaps the 20 years they would have gotten for that offense would have been sufficient.

I think if the Federal bill—if the Department of Justice helped to craft the definition of "violent" so it is crafted narrowly enough that it really only applies to those you truly do not want returning to the streets—number one, it would lessen the numbers that would come to us. And I believe we then have a responsibility of doing everything we can to house them for the rest of their lives. Or as one of the provisions suggests, I believe—that was put forward by the Department, says that after they reach the age of 70, they could be reevaluated perhaps for release at that time.

But I think if the definition is narrowly enough defined, that it truly is the individuals you really don't want going back into communities, then it just becomes our responsibility to ensure that we have adequate kinds of offerings, adequate medical resources to serve them.

We do get very concerned about that definition being too broad, not really the individuals that need to be locked away forever, and risk putting tremendous demands on our resources.

INCARCERATION COST FOR THREE STRIKES PROVISION

Mr. SKAGGS. Any estimates yet as to the population increase that that will mean for you?

Ms. HAWK. The current projection that we have made is that if it only includes violent offenders—only violence, not serious drug, but just violence—we will be talking about, roughly, 300 inmates a year.

Now, we are already getting those 300; one would assume, they are already being tried, and we are getting them. So we really wouldn't feel the effect until 20 years out, or 17—they would normally get between 15 and 20-year sentences for that offense anyway. You would really be feeling your effect in the outyears, and then they would start increasing, 300 a year each, added on to that.

Our projection was that by the year 2010—or 2030, that would be an accumulation of—how much money would it amount to?

Mr. HOUK. Almost $2 billion in operating costs.

Mr. SKAGGS. In current——

Mr. HOUK. Cumulatively, for that period of time.

Ms. HAWK. In current dollars.

Now, if you include drugs—and that is where our concern comes in, if you include the serious drugs—that number goes up to 700 a year, which is over three times that. So if you take $2 billion, plus—multiply that times three-plus, and you see what the figure is.

Mr. SKAGGS. $2 million additional over what period of time?

Ms. HAWK. We were projecting over the time at which this first group would come in, reach their 17 years, and then they would become added on, extras into our population.

Mr. SKAGGS. So between 2010 and 2038?

Ms. HAWK. 2030 is the way we estimated it out, considering the life expectancy of the inmates, and during that period of time, well over $2 billion for the 300 coming in annually.

Mr. SKAGGS. Given the projected recidivism of those prisoners, were they to be released at the end of 20 years, is that a good cost-benefit deal for the taxpayers, to keep them locked up longer?

Ms. HAWK. I believe for the ones who are again the truly violent, really heinous offenders that you truly do not want to risk whether or not they are going to recidivate, because what they would recidivate and do we don't want to put back into our communities, I think that is a fair investment.

If we start stretching that number into drug offenders and those kinds of things—the one correlation that we have found in corrections that does correlate with recidivism rates is age. As the inmate reaches the age of 50 and above, the likelihood of them recidivating gets far, far less.

So I would say, again, that if you are talking about the truly violent, the ones truly dangerous, it is a good investment. When you start moving that line, then I think the investment becomes a little more questionable.

Mr. SKAGGS. Thank you for your time.

Mr. MOLLOHAN. Well, just following up on that, Mr. Skaggs, some of those you are putting away for life, you wouldn't be getting back. So, to some extent, shouldn't that number drop off? Are you assuming a constant number throughout that whole period?

Ms. HAWK. Once you reach 2010; the 2038 is a little hard to do good projections. And you are right, demographics are going to suggest that the numbers out there to commit those kinds of offenses, especially if the States retain their "three-strikes-and-you're-out," we will have a lot of those folks locked up. But to project that far out, it is a little hard for us to know what that is going to be, so that number is very much a guesstimate.

MODERNIZATION AND REPAIR

Mr. MOLLOHAN. I was struck by your not asking for as much money as you thought you might be for modernization and repair.

Was your request to OMB greater than reflected in your budget request?

Ms. HAWK. It was initially, yes, Mr. Chairman, but we really felt that it is a matter of weighing demands.

Mr. MOLLOHAN. Sure. But what was your request to OMB?

Mr. HOUK. It was approximately $35 million.

Mr. MOLLOHAN. Do you think the amount you are requesting is sufficient to properly maintain the facilities?

Ms. HAWK. We believe it is sufficient for this year.

What we did was prioritize what really had to happen now. We do recognize, though, that we cannot keep ignoring our infrastructure over time. We will undoubtedly have to be, in future years, requesting more money to make sure that we have not weakened our infrastructure. But for this fiscal year, we have identified the most critical projects, and feel that this will be sufficient.

Mr. MOLLOHAN. So next year we can anticipate some catch-up?

Ms. HAWK. I would expect so, yes.

Mr. MOLLOHAN. And certainly in the outyears——

Ms. HAWK. In the outyears, for sure. It is a little hard to say for sure for this coming year, but in the outyears, yes.

Mr. MOLLOHAN. We appreciate very much your testimony here today. We appreciate the good job you are doing.

We will have some questions for the record.

Thank you.

Ms. HAWK. Very good. Thank you.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN MOLLOHAN

QUESTION: You request $8 million each for site and planning for a low security facility in the Western region and a medium security facility in Beaumont, Texas. What is the estimated cost to complete one of these facilities?

ANSWER: It is estimated that the low security facility in the Western region would cost $80 million; the medium security facility in Beaumont, $67 million.

Facility Lease

QUESTION: Have you done an economic analysis to determine whether this lease arrangement is more cost-effective than a government built facility?

ANSWER: The idea for this agreement arose in a past Administration when they were exploring privatization alternatives for corrections. We were encouraged to enter into different experimental cases. This was one area of leasing that we agreed to pursue. The expectation, I believe, was that financial leverage would be achieved by being able to spread the costs over 20 years rather than having to come up with the entire amount during the first year or two of construction.

We would not have been able to purchase the airport property. However, the airport authority was willing to construct the facility. Many discussions took place over several years. This is the only lease arrangement we have.

Cooperative Agreement Program

QUESTION: Is it true that OMB removed from your request any funds for the Marshals' Cooperative Agreement Plan (CAP)?

ANSWER: The overall funding level provided by OMB for the Buildings and Facilities appropriation (in which a CAP request was included) contained insufficient resources to fund the Department's entire request, so many projects had to be dropped, including the $20 million CAP request.

QUESTION: Are there any unobligated balances remaining in your B&F account which could be applied to the CAP program as was done last year?

ANSWER: All of our unobligated balances are actually committed to projects and will not be available for any other purpose. The BOP has already absorbed a $145 million rescission which has required us to realign priorities as well as having to request a reprogramming to cover other financial needs.

Modernization and Repair

QUESTION: Considering the growth in the total number of facilities, and the age of some of your older facilities, it

appears your request for modernization and repair is very modest. Are you requesting sufficient funds to keep your facilities properly maintained?

ANSWER: The top priority in the FY 1995 request is for prison construction and activation in order to increase capacity and reduce the dangerously high level of overcrowding. Thus, our modernization and repair request must be balanced by that great need. We do, however, hope to return to a higher level of M&R funds in future years.

QUESTION: Was your request for this program reduced by OMB, if so by how much and how will it affect the program?

ANSWER: Our initial request to OMB for M&R funds was about $35 million. It became a matter of weighing demands and prioritizing what needed to happen now. We believe the amount currently requested will be sufficient for this year. We do recognize, however, that we cannot continue to ignore our infrastructure over time and that we will undoubtedly have to request more in future years to ensure that the infrastructure is not weakening.

Prison Staffing

QUESTION: Do you believe you are adequately staffed at your new and existing prisons insofar as the safety and morale of prison guards is concerned?

ANSWER: Yes, we believe the existing facilities are adequately staffed and that our request for new facilities is also adequate. Based on feedback from staff surveys, there is a high degree of staff satisfaction with and commitment to the Bureau of Prisons, which adds further support.

QUESTION: Have any situations occurred involving prisoner disturbances or riots that can be attributed to inadequate staffing?

ANSWER: No prisoner disturbances or riots have occurred that could be attributed to inadequate staffing of institutions. After-action reviews are conducted after any significant occurrence, and insufficient staffing patterns have not been identified as factors in any of the reviews.

QUESTION: Because of the large growth you have experienced, are you finding it difficult to recruit and hire the quality guards you have attracted in the past?

ANSWER: No, we have prepared for this growth and thus, are not experiencing difficulty. There are currently 6,925 qualified applicants for the position of Correctional Officer at the GS-5 and GS-6 grade levels. The register is open, and the Examining Section receives approximately 300 applications per week. These applications are rated on a scale of 78% to 100%, with up to 10 additional points given for veteran's preference. During the past twelve months,

the average score of applicants selected for employment has been 93%.

In summary, the pool of qualified applicants for the position of Correctional Officer are more than adequate to meet the Bureau's needs and, as indicated by the average score of applicants selected, the quality is very good.

QUESTION: Are you comfortable with the quality of your ever-expanding managerial and supervisory staff?

ANSWER: We are comfortable with the caliber of the managerial and supervisory staff. The prison system expansion has increased the number of supervisory staff and accelerated the pace at which employees may reach the supervisory levels. While this is the case, careful screening in promotions still occurs, standards for technical knowledge and performance have not been reduced, and targeted training and mentoring have filled gaps identified by a lack of years and experience.

QUESTION: Has the downsizing of the Department of Justice provided you a pool of qualified individuals?

ANSWER: The majority of our positions are located in field institutions, and selection for a position vacancy at one of these locations would require the selectee to meet law enforcement coverage requirements and to relocate. Thus, the downsizing has not provided us with a significant pool of applicants. In the Central Office, we have hired four Department of Justice staff who were on placement lists for potential reduction in force actions.

QUESTIONS SUBMITTED BY CONGRESSMAN SKAGGS

QUESTION: How much does it cost to incarcerate an individual in a control unit per year? How much does it cost to construct each unit?

ANSWER: We do not have cost figures just for the control unit inmates, since the control unit is a very small portion of a larger institution. We can, however, provide you with the per capita cost of our maximum security prison. In FY 1993 the cost of keeping an inmate in our maximum security prison (Marion) was $33,243. The construction cost for our most recent Administration Maximum Facility, as Florence, Colorado, is $122,900 per bed.

QUESTION: How many individuals are currently incarcerated in control unit facilities by the Bureau of Prisons (BOP)?

ANSWER: At present we have only one control unit, located at Marion, Illinois, which houses 50 inmates. The total population of Marion as of April 21, 1994, was 336.

QUESTION: What educational opportunities are there for control unit inmates? What percentage of them are involved in education programs? Describe those programs.

ANSWER: The Education Department provides mandatory literacy programs: General Education Development (GED) and English as a Second Language (ESL). Also, the Annenberg tape series provide extensive Adult Continuing Education courses. These tapes cover a variety of subjects ranging from history to western traditions, geography, sciences, etc. Control Unit inmates are free to participate at their own discretion. Recreational tapes include aerobic exercises. Post secondary education courses are available via correspondence courses, through the University of Illinois. On a weekly basis, staff provide circulating leisure and law library services, which include both Spanish and English books, magazines, periodicals and newspapers.

Twenty-four inmates, or approximately 50% of the control unit population, are involved in education programs: 3 are enrolled in correspondence courses; 20 in the GED program; and one is in an Adult Education Program.

QUESTION: What are the religious opportunities for these inmates?

ANSWER: The inmates are provided with individual cell ministry. There are no out-of-cell services. However, via closed circuit television, inmates are free to watch religious programming as they wish. The chaplain visits each inmate at least once weekly and the inmates may request additional visits by religious personnel (contract or institution chaplaincy service). They may receive religious books upon request.

QUESTION: In your testimony, you note that by the end of FY 1993, over 61% of BOP's inmates were there for drug offenses. What drug treatment program does BOP have in place for these inmates to ensure that they do not recidivate? Are there problems with drug use in the prisons? What is the nature of that problem?

ANSWER: BOP has developed a comprehensive drug abuse treatment strategy consisting of five components: drug abuse education; nonresidential drug abuse counseling services; intensive nonresidential drug abuse treatment; residential drug abuse program; and community-transitional services programming. Participation in BOP's Drug Abuse Education program is required for all inmates who have a judicial recommendation for treatment and/or a history of drug use.

Through urinalysis, we regularly monitor our inmates for drug use. During the most recent random testing, approximately one percent tested positive. Inmates who test positive and are found with drugs are subject to disciplinary process and lose privileges such as commissary, visitations, recreational opportunities, and working in the Federal Prison Industries. They may also be placed in a drug treatment program, disciplinary segregation or be transferred to a higher security institution.

The very small percentage of those who test positive is attributable to vigilance and intervention of BOP staff. BOP staff are highly trained to check for contraband coming into the institution, and inmates are searched thoroughly at the end of each visit to ensure a drug free environment.

QUESTIONS SUBMITTED BY CONGRESSMAN DAVID PRICE

QUESTION: I was particularly interested in your comments about Alternatives to Incarceration. You mention alternatives such as traditional half-way houses, urban work camp, and home confinement with electronic monitoring. You cite the increased importance of alternatives to incarceration with the reduced use of probation as a sentence. For each of these initiatives, can you explain what it is, provide any information to indicate how well it is working what degree of expansion, if any, may be appropriate, and what budget impact, if any, you would expect as a result.

ANSWER: In addition to its prison facilities, the Bureau operates an elaborate system of community based correctional programs designed to meet a variety of needs of offenders and to provide a range of sentencing option for the Courts. Some of the primary components are listed below:

1. Community Corrections Centers (CCC). More commonly referred to as halfway houses, CCCs provide a safe, structured, supervised environment in the community for a variety of offenders. CCCs provide residents with programming opportunities such as: drug and alcohol treatment; employment counseling and job placement; financial management training; and, daily living skills.

2. Home Confinement. Home Confinement is a correctional sanction that requires an offender to be in his or her home during specified periods of time, usually after the work day. Adherence to the provisions of the program is monitored by electronic signaling devices (Electronic Monitoring) or, more commonly through telephone contact.

3. "Half-Way Back" Program. Cooperative efforts between the Bureau of Prisons, the U.S. Probation Service and the U.S. Parole Commission, have led to the establishment of the Parole Violator Sanction Program (i.e.: Half-way Back). Offenders are placed in this program for up to 18 months in lieu of being returned to prison. This program is designed to target individuals under supervision of U.S. Probation who become involved in technical violations.

4. Urban Work Camp Program. Urban Work Camp participants are low-risk offenders who are selected to spend up to 18 months at a Community Corrections Center (CCC). For the first 12 months, offenders provide labor for a sponsoring Federal agency. During the last 6 months, offenders participate in routine transitional pre-release programming.

5. Comprehensive Sanction Center. BOP, with the extensive cooperation and team work of the U.S. Probation Service, is developing a "full service" Comprehensive Sanction Center (CSC). It provides the court with a

wider range of sentencing options, particularly for offenders who violate supervision through the abuse of drugs or alcohol. This facilitates the development and implementation of community program plans that will be tailored to the individual needs of the transitional inmate. This is geared towards the high need offender and consists of six different levels of supervision ranging from day-reporting to 24 hour confinement.

6. Intensive Confinement Centers (ICC). The ICC Program provides a workable balance between a military boot camp and the traditional correctional standards of the Federal Bureau of Prisons. This program involves a very intensive, highly structured environment reflecting the Bureau's basic philosophy of inmate management. Inmates who successfully complete the 6 month program are permitted to serve the remainder of their sentences in community-based correctional facilities with the later portion on home confinement with court concurrence.

7. Community Transitional Drug Treatment Program. This program is designed to facilitate the inmate's successful adjustment to the community during the critical period involving the transition from institution to community life. The program involves intensive outpatient counseling and drug testing throughout transition to community life while in an halfway house (CCC) or on home confinement. The counseling is geared toward encouraging and reinforcing the inmate's long-term commitment to abstinence from substance abuse.

8. Special Female Offender Programs. The Mothers and Infants Together Program (MINT) is an alternative residential program for pregnant women in Federal prisons. The women are eligible to come into the program at the CCC during their last months of pregnancy. They participate in pre-natal and post-natal programs and services such as: childbirth, parenting. and coping skills classes. After the birth of the child, the mother is allowed three additional months with the child in order to be able to bond with the child. At the end of this three month period, the mother must make arrangements for a custodian to take care of the child as she will be returned to prison for completion of her sentence.

The Bureau of Prisons maintains a highly effective community corrections program. During FY 1993, 87% of inmates placed in a halfway house or on home confinement successfully completed the program. Of the 13% who failed, 3% escaped and 10% failed for other reasons, mostly drug or alcohol abuse. Only 48 out of over 10,000 inmates placed in a halfway house or home confinement in FY 1993 were arrested for new criminal conduct.

The Bureau of Prisons estimates that the average daily population in community corrections centers and home

confinement will increase in proportion to the projected increase in the total Bureau of Prisons population. Further growth in the projected figures is constrained by the limits placed on the Bureau of Prisons by statute and by the intent of the sentencing guidelines.

The community corrections budget for the Bureau of Prisons will need to increase to accommodate projected growth.

QUESTION: On April 11, this subcommittee held a field hearing in Raleigh, North Carolina attended by Mr. Moran and me, regarding crime, law enforcement and crime prevention. During our panel on what we referred to as "Innovations" that were working in the areas of crime, law enforcement, and victims assistant, one of the most compelling witnesses was John Taylor, a Major with the North Carolina Department of Corrections, and the commandant of North Carolina's IMPACT unit -- which is our boot camp unit.

It was clear that the 90-day program being administered by Major Taylor for 16 to 25-year-old males was ship-shape, and North Carolina recently has decided to double the number of young men in these programs.

Can you describe the Bureau of Prisons experience with your Intensive Confinement Center program, or "boot camps?"

ANSWER: BOP is pleased with the boot camp program to date, although it is too early to determine its long-term effectiveness in reducing costs, crowding, and recidivism. The major difference we notice is in the attitude of program participants as compared to inmates in traditional prisons. The increased discipline, the heavy emphasis on work, and the non-threatening environment all tend to produce participants who are able to show a positive adjustment to prison life and a willingness to correct their lives. Moreover, the increase in pride and self-esteem is evident, as many of these inmates have been forced to accomplish something on their own for the first time in their lives.

QUESTION: The has been a fair amount of discussion nationwide on the actual effectiveness of boot camp programs. Is anyone in your department monitoring these experiences in the States and determining what factors bring success?

For example, North Carolina's boot camp program is for 90 days and is imposed as a condition of probation -- I've read of other, longer programs -- I've also seen literature indicating that without aftercare programs, the recidivism rate seemed to be no better than standard incarceration, though we seem to be beating that in North Carolina.

Is the Bureau of Prisons or any other Justice Department agency compiling information on these programs in a way that will permit us to determine their effectiveness?

ANSWER: Yes, the Office of Research and the National Institute of Corrections monitor the actual effectiveness of

boot camp programs in the States. The Federal Bureau of Prisons is conducting recidivism research on the Intensive Confinement Centers (ICC) and comparing ICC graduates to a matched group of offenders who did not participate in the boot camp program. It is too soon to measure recidivism results in the Federal program. Part of the problem is that, by definition, recidivism must be measured over time, and most boot camps are still relatively new.

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